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GENDER CONTENT OF SOCIAL POLICY CHANGES
IN EAST CENTRAL EUROPE SINCE 1989

A thesis submitted in partial fulfilment of the requirements of the Open University for the degree of
Master of Philosophy

Gorana Djoric

Program on Gender & Culture
Central European University

Budapest, 2000

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Gorana Djoric
Program on Gender and Culture
CEU, Budapest

GENDER CONTENT OF SOCIAL POLICY CHANGES IN EAST/CENTRAL EUROPE SINCE 1989

- abstract -

This paper focuses on the implications of social policy changes in East/Central Europe since 1989, for gender relations. The system of social protection of the socialist period will be compared with the institutions that have been introduced approximately after 1989, in order to replace it, relative to expected gender relations' outcomes. In order to allow for a comparison of the two essentially different systems, 'social policy' is defined broadly as *a political organisation of economy that establishes the rules of the distribution of economic resources between different groups of people, or, in other words, a configuration of the family, the market and the state in providing people's well-being.*

A connection between social policy and gender relations is not immediately obvious and could be perceived in various ways. Hence, the first chapter of the paper attempts to theoretically establish the connection in question, so that a claim could be made that different social policies will result in different gender relations. The second situates the social policy transformation in CEE and its potential effects on gender relations within the broader framework of the transformation of centrally planned into market regulated economy. The third chapter analyses the development of a social policy proper, as an institutional supplement to the labour market which compensates for "social risks" ex post, as is known in the West. The last chapter is an attempt in gender analysis of social policy transformation, focusing mainly on the expected gender effects of the transformation. The social policy implications for gender relations will be assessed by considering 1) a particular division of labour between the sexes (via publicly organised and financed child care (or the lack of it), for example), promoted by the changes involved; and 2) a particular (possibly different) treatment of 'male' and 'female' labour (usually unpaid caring work) for the purposes of social entitlement.

The analysis is mainly based on secondary sources, prevalently on the Czech Republic and Hungary. An attempt is made to systematise the evidence collected on different countries, but more in a complementary manner than with a comparison between the countries in mind. Notwithstanding the differences between the Central/Eastern European countries, the region is treated here as prevalently homogeneous, at least in its pre-1989 characteristics, so that the paper could focus on the gender implications of institutional changes across the point in time.

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INTRODUCTION

This paper focuses on the implications of social policy changes¹ in East/Central Europe since 1989, on gender relations. Most East/Central European countries have been undergoing far-reaching processes of institutional change. The major aspect of that change has been a redefinition of private and public responsibility for people's well being, and, in that context, the relative share of the state, the market and the family. From a sociological perspective these processes imply a change in the conditions of full membership in a society (citizenship); a change in the rules of social division of labour and, consequently, a determination of the new conditions for access to social resources of different groups of people in a society. Gender relations, based on a division of social labour between the two sexes, are but a kind of social relations that have been undergoing a process of reconstruction. In coherence with such an understanding of social processes in the region, I would suggest that it is important to study social policy changes in order to predict the relative position of individuals and groups in the societies in question.

A connection between social policy and gender relations is not immediately obvious and could be perceived in various ways. Hence, the first chapter of the paper attempts to theoretically establish the connection in question, so that a claim could be made that different social policies will result in different gender relations. For that purpose I will review a relatively recent and still small body of literature that focuses on

¹ The term will be defined later on in the introduction.

gender and welfare states in a comparative perspective (J. Lewis, A.S. Orloff, J. O'Connor, D. Sainsbury, M. Daly, A. Siaroff, B. Hobson...). This work, in its turn, synthesises the achievements of the 'mainstream' comparative analysis of welfare state regimes² and the analysis of gender content of welfare states in national contexts. The common concern of the authors writing in the field has been to work out the dimensions of variations in the gender content of different welfare states (as opposed to their class content).

The second and the third chapters both address the processes involved in social policy transformation, broadly understood. The second situates the social policy transformation in CEE and its potential effects on gender relations within the broader framework of the transformation of centrally planned into market regulated economy. The third chapter analyses the development of a social policy proper, as an institutional supplement to the labour market which compensates for "social risks" ex post, as is known in the West. The analysis is mainly based on secondary sources, prevalently on the Czech Republic and Hungary. An attempt is made to systematise the evidence collected on different countries, but more in a complementary manner than with a comparison between the countries in mind.

Notwithstanding the differences between the Central/Eastern European countries, the region is treated here as prevalently homogeneous, at least in its pre-1989 characteristics, so that the paper could focus on the gender implications of institutional changes across the point in time. In other words, the paper will compare the system of social protection of the socialist period with the institutions that have been introduced

² It has been especially influenced by Esping-Anderson's book 'The Three Worlds of Welfare Capitalism'.

approximately after 1989, in order to replace it, relative to expected gender relations' outcomes. In order to allow for a comparison of the two essentially different systems, 'social policy' is defined broadly as *a political organisation of economy that establishes the rules of the distribution of economic resources between different groups of people, or, in other words, a configuration of the family, the market and the state in providing people's well-being.*

The last chapter is an attempt in gender analysis of social policy transformation, focusing mainly on the expected gender effects of the transformation. The social policy implications for gender relations will be assessed by considering 1) a particular division of labour between the sexes (via publicly organised and financed child care (or the lack of it), for example), promoted by the changes involved; and 2) a particular (possibly different) treatment of 'male' and 'female' labour (usually unpaid caring work) for the purposes of social entitlement.

It is important to notice here that the main aim of this paper is to 1) sensitise a reader to the gender content of a social policy system; 2) to grasp the 'logic' of the ongoing processes of system's change, in the region of CEE; 3) to infer, from the logic of the system's change, and the theoretical knowledge about the gender content of various social policy arrangements, whether one should expect the gender relations to be affected and in which direction. It is beyond this papers' objectives to, based on an empirical analysis, prove that expected implications actually materialised. However, where it is available in the secondary sources, some sketchy evidence will be offered as in the cases of labour force participation, wage differentials and the cost of child care.

I. MAKING SOCIAL POLICY ANALYSIS SENSITIVE TO GENDER RELATIONS

This chapter aims at presenting recent achievements in comparative social policy with respect to gender relations. It tries to establish a niche in which to situate research on gender effects of the state's social policy measures introduced and proposed in East/Central European countries since 1989. Given the complexity (and novelty) of such a research task, one has to specify the content of both concepts (gender and social policy) to be used as well as to establish the connection between them. One way to do that is to follow the development of gender and social policy analyses that brought these two, at the beginning separate, theoretical and empirical interests together, as well as to follow the internal developments of these analyses that made the convergence possible in the first place. The presentation that follows is necessarily going to be very schematic with the focus on the selected reference points that could be reconstructed as having led to the body of literature within which I would like to situate my research.

1. A 'PRE-HISTORY' OF COMPARATIVE ANALYSIS OF GENDER AND WELFARE STATES

One of the main themes of gender analyses is that there is an unequal distribution of social resources of different kinds between men and women due to the sexual division of labour. For gender analysts, the sexual division of labour has no natural basis, but is maintained through the social construction of the male's and female's proper social roles. A demonstration of social inequalities between men and women, an analysis of the

mechanisms of the social construction of the two genders (as opposed to the two biological sexes) and a critique of the 'gender blind' theoretical accounts of the social world, were the tasks that preoccupied gender informed research.

More specifically, in relation to social policy and the welfare state, gender informed research has focused on the different basis of female entitlements to social benefits that, given the two tiered system of social provision (social insurance/social assistance) have constructed women as recipients of a second rate' (social assistance) social provision. Related to that research is another focus on the 'feminization of poverty' - a phenomenon of the disproportional female share in the poorest groups in societies (old aged and single headed households). Different patterns of labour force participation of men and women in relation to access to contributory social provision schemes attracted considerable interest. Again in relation to that set of issues, child care provision (as it helps female labour force participation) and evaluation of caring work and unpaid work in general have invoked special attention. One could name several underlining assumptions of the above type of research:

- There is a sexual division of labour, so that men earn income through employment whereas women take care of household tasks (including child and old age family members care).
- The prevalent form of female labour force participation is interrupted, part time, low paid work.
- Market and work related social policy schemes are the predominant mechanisms of social resources distribution.
- The only socially recognised work is paid work.

These assumptions were shared among the researchers since they adequately described the state of affairs in Anglo-Saxon countries where the research mostly took place.

Meanwhile, the 'mainstream' theory and research (the one that does not focus on and mainly ignores gender dimension of social structure) concentrated on conditions of development of the welfare state, its redistributive capacity and evaluation of the welfare state's success (redistributive outcomes) merely on the bases of expenditure data. Redistributive capacity of the welfare state was defined in terms of class (market based) inequality. Although approaches differed in relation to what the welfare state was all about, they basically had in common an emphasis on the welfare state as a unique post-World War II institution.³

For an analysis of the gender content of welfare states, Marshal's theory of social rights based on citizenship (Marshal, 1950) is of special interest. Within that context, Marshal is relevant for at least two reasons. The expansion of social rights based on citizenship was expected to 'undo' class inequalities and, consequently, provided the 'power resource' school with a background theory for claims for the parliamentary dissolution of the capitalist society. Fertilised by the Titmus' three ideal types of welfare states, it provided Espying-Anderson with a dimension (de-commodification) for comparative analysis of welfare states. That welfare states differ in their emancipatory (or more modestly - equalising) capacities was a necessary step in order for researchers of gender relations to look at the institution of welfare state with a more sympathetic eye (and even to consider it a possible ally in a reconstruction of gender relations). In short, Marshal's work led to the qualitative comparison of different welfare states, and

³ For an overview see Pierson, 1991.

subsequently to the comparison of the gender quality of different welfare states.

The second reason for Marshall's theory being an important reference point is the concept of citizenship. In Marshall's interpretation it has got a sociological (not only a political) dimension, referring to the conditions in modern societies under which a person obtains the status of a full member of a society. Using Parsons' terminology, citizenship was understood as the principle of inclusion in the modern societies. It refers to a relation between individual and state that destroys all group's privileges before the law, and gives to a citizen - a legitimate member of a society - the opportunity for political participation and well-being as a matter of right. Via social rights, income redistribution, collective services, full employment and education, the welfare state (perceived as an inevitable consequence of legal and political democracy) is capable of undoing class divisions and inequalities created by a capitalist economy.

Marshall's concept of citizenship (social citizenship in particular) has recently provided many researchers with a sound point of departure to reflect upon gender and welfare: gender as well as class must be understood as an element in the construction of citizenship. Studies have focused on "whether and to what extent care, especially in the private sphere, tends to exclude people (women) from social citizenship or whether the responsibilities of care in practice effect a distinctive identity of citizenship" (Bussemaker and van Kersbergen, 1994:16). Could the welfare state undo gender division? "There appears to be some convergence around the thesis that in nations where the state effectively transfers the private duty to the public responsibility of care, the conditions for the development of a full civil, political and social citizenship of women are better fulfilled" (Bussemaker and van Kersbergen, 1994:16). Nordic countries have been

thought to provide an example of such a gender-neutral welfare regime: the provision of public child-care and parental leave has led to stimulating female labour market participation that has provided women with a substantial degree of independence vis-à-vis their spouses. However, as is already emphasised, the fruitful employment of the citizenship concept as an analytical tool to define the conditions of full social membership for women did not come directly after Marshal's work. It was mediated by the Esping-Anderson's 'transformation' of the concept into a qualitative dimension of variation (de-commodification). It had to be, also, awaited for a positive evaluation of the Nordic model by the Scandinavian feminists (Bussemaker and van Kersbergen, 1994:18). An early reaction of gender focused theory to both the institution and the theory of welfare state was quite a negative one. The institution of the welfare state was studied as a site of female oppression (from both capitalist and patriarchy based discrimination view points⁴) being inherently (ultimately) conditioned upon an asymmetrical sexual division of labour. The opinion was that the welfare state reinforces, if not creates gender inequalities. The theory of the welfare state was criticised for not recognising the gender dimension (assumed different social roles for men and women) as constitutive for welfare state institutional arrangements. The concept of citizenship was analysed with the intention of being demonstrated that it generalises the conditions of social membership of a particular group in a society (male workers) to the conditions for the social participation for all. In the result of that analysis, women were presented as second rate citizens with the significant consequences of that fact to their entitlement to social rights

⁴ For an overview of this literature see Williams, 1989 and Pierson, 1991

(and access to social benefits).⁵

The early feminist scholarship on the welfare state had some real delimitation for studying gender differences in a comparative welfare state context (Daly, 1997). Generic model of the welfare state with which it operated did not provide much of a framework for gender analysis that would allow for differences. The experience of the Anglo-Saxon countries was interpreted as universally relevant for women/gender - welfare state relations (Wilson, 1977; Fraser, 1989; Pateman, 1988; Skocpol and Ritter, 1991; Gordon, 1990). The research was primarily focused on women (within the particular welfare state arrangements), not on the role of different welfare states in constructing systematic differences between women and men. It ranged between maximising goals that do not provide analytical tools (selective enough) for comparing existing social policies and detailed descriptions that lack theoretically based criteria of evaluation and understanding.

The initial move from the state of the two scholarships mutually ignoring each other came from two sides. The first one was Esping-Andersen's 'The Three Worlds of Welfare Capitalism'. The second, Scandinavian analysts of gender effects of the Scandinavian welfare state. Together, they contributed to the idea that welfare states differ in their social and distributional effects and, if so, that some of them could be even 'women-friendly' (after Helga Hernes (1984, 1987) taken to mean - helping women's equal social participation and thus reconstructing gender relations towards one that would lead to an equal distribution of social resources).

⁵ This critic was very influential in the circles of gender relations researchers. However, I find this view not quite a fair one: Do women get different share of social resources because they are second rate citizens (the concept of citizenship is a selective one) or there is only a limited number of social rights based on citizenship in the contemporary societies?

Esping-Anderson's work presents an unavoidable reference point for several reasons. He broadened the meaning of the welfare state concept so as to refer to the political organisation of the economy (political economy). He introduced the concept of the welfare state regime that refers to a particular configuration of family - state - market in provision of peoples' well-being. He defined the welfare states' effect in an analytical (qualitative) way, so that if class division in capitalist societies rests on the commodity status of a worker (a producer), a welfare state is effective (neutralises the class division) to the extent that it de-commodifies him (hence, all the quantitative measures are relevant only if they are shown to measure de-commodification). Finally, and perhaps the most importantly from the gender perspective - he presented welfare state regimes as mechanisms of stratification in themselves.

I am not aware of the attempt of any analysts of gender relations in connection to welfare state, after Esping-Anderson, to seriously defend the point that welfare typology does not make any difference to the understanding of the position of women, since gender relations are basically all the same regardless of a particular type of welfare state.⁶ It was particularly difficult to defend after analysts of Scandinavian welfare state showed its differential effect on gender relations in comparison to the Anglo-Saxon experience, for example. But Esping-Anderson typology (and his criterion of classification) was by no means uncritically accepted.

One could name at least three types of critical points. The first doubts the usefulness of the regime concept, given the complexity of women's positions in relation to the welfare state (Lewis, 1997). The second one comes from an opinion that Esping-

⁶ Except, perhaps Jane Lewis' assessment that "...no country has succeeded in valuing unpaid work and

Anderson's typology rests upon gender irrelevant set of criteria. Conceptualisation of welfare states' success within a framework of the state - market relationship, the concept of de-commodification and stratification perceived in class terms, came under attack. What is needed is a development of a different set of gender relevant criteria that intersect Esping-Anderson's. (Lewis, 1992; Sainsbury, 1996; Hobson, 1994). The third one finds his typology inclusive enough, under the condition of having his dimensions 'gendered' and some exclusively gender sensitive added (Orloff, 1993; O'Connor, 1993).

2. GENDER AND WELFARE STATES IN COMPARATIVE PERSPECTIVE

In what follows I would like to turn to the most recent work on gendering welfare states in comparative perspective. This work synthesises the achievements of the gender informed welfare state analysis in national contexts and comparative 'mainstream' analysis of welfare state regimes. All the concepts describing women's position in the welfare state (under the assumptions of the particular type of welfare state and the particular gender division) became, within a comparative context, dimensions of variation in the gender content of welfare states. I intend to present the main themes of this work by discussing several, the most representative, individual attempts.

Although we may say that there is an agreement in the relevant literature that welfare state systems differ in their gender content, the problem is approached from variety of perspectives, problem formulations and empirical concerns. I'll try to group the main emphases through a couple of formulations: 1) Given the sexual division of labour

(men earn - women care), what is the redistributive outcome of different welfare states for men and women? 2) Given the preferable goal of female emancipation, what type of welfare state policy best promotes it? 3) What is the effect of different welfare states on sexual division of labour itself? These three interests are seldom made explicit and are often combined in a particular piece of work. Furthermore, at this point of development of a framework for analysis of gender content (variability of gender content) of welfare states some important questions are still open. Are there distinct welfare regimes in respect to gender? If there are, do they coincide with the worlds of welfare capitalism? Are welfare states coherent in their gender relevant policies? How researchers should cope with complexity of women's position in relation to welfare states? Authors differ in how they answer these questions.

Jane Lewis

Modification in the male breadwinner family assumption

The emphasis of Jane Lewis' 1992 article was on the assumptions about family form and typical gender roles historically underpinning welfare states. It is a real transitional article with its one foot still in a tradition of feminist's deeply doubting the institution of the welfare state and rejecting the gender-blind 'mainstream' accounts of it but with another stepping into the field of welfare regimes and variability of their gender content. This, in my opinion, helps us understand the choice of the dimension of variability (the salience of the male-breadwinner family model) and focus on gender assumptions instead on gender effects of different welfare regimes (that will be focus of work to come).

The male breadwinner family model in its ideal-typical form would "find married women excluded from the labour market, firmly subordinated to their husbands for the purposes of social security entitlements and tax, and expected to undertake the work of caring (for children and other dependants) at home without public support" (Lewis, 1992: 162). Although the model, in this form, was historically applicable only to the middle class women in the late-nineteenth century in a few industrial countries, it was, in Lewis' opinion, a shared ideal incorporated into the foundations of modern social provision in Western countries. As a result, "historically women have gained [social] entitlements by virtue of their dependent status within the family as wives and mothers" (Lewis, 1992: 159). If so, the pervasiveness of the male-breadwinner family model cuts across 'mainstream' typologies of welfare regimes.

Nevertheless, Lewis' article explores how the model has been modified (in different ways and different degrees) in different countries⁷, and in that sense it is distinct from the earlier feminist writings which viewed the breadwinner model as an inherent feature of the welfare state. She has demonstrated that a variation in assumptions about a family model and male/female roles helps to predict a variation in the level and nature of women's labour force participation, the level of social service provision in regard to child-care, and the nature of husbands' and wives' access to social security.

In conclusion, Lewis warns that "any further development of the concept of 'welfare regime' must incorporate the relationship between unpaid as well as paid work and welfare"⁸ (Lewis, 1992: 159).

⁷ She has compared France, Sweden, Britain and Ireland.

Diane Sainsbury
'Caring regimes'

D. Sainsbury (1994, 1996) advances the research on gender and welfare state variation on at least three points. First, she clearly spells out the dimensions of variations assumed to be correlated (and thus hidden) within the male-breadwinner model approach. The breaking of a model or a type into its component dimensions of variation helps to analyse policies of any country (and not only the ones on whose policies typologies were based) without assuming an internal coherence of policies regarding gender issues, for example. Second, she demonstrates that 'caring regimes' of different welfare states do not coincide with the strength of the breadwinner model. Namely, only two bases of women's social entitlement are discernible from the breadwinner model point of view: women as dependent wives (and mothers within a family) and women as workers. Emphasis is on unpaid care or women's entitlements in their capacity of workers, which, according to Sainsbury, leads to a neglect of variations in paid care in different welfare states as well as to a neglect of other bases of women's entitlements such as motherhood, citizenship and need. Third, Sainsbury moves the focus of analysis from gender assumptions to gender effects of different welfare states, and adds to an analysis of normative structure of a particular state provision (basis of entitlement) an analysis of actual outcomes.

In her 1996 book Sainsbury analyses four Western countries (US, UK, the Netherlands and Sweden) on several dimensions of variation relevant for gender relations (men and women relative standing vis-à-vis these welfare states), without the ambition

⁸ She is referring to Esping-Anderson's focus on welfare state vis-a-vis market.

of picturing these states as the representatives of distinct welfare state regimes.⁹

Barbara Hobson

Analytical power of 'lone mothers'

In line with Sainsbury's criticism of the breadwinner ideology model, Barbara Hobson makes a point that sexual division of labour does not necessarily entail inequality in the distribution of social resources. Strong breadwinner welfare states (marked by the treatment of married women as dependent wives for the purposes of social entitlements) such as Britain and Netherlands, for example, could be shown to differently redistribute resources and services that affect women's economic well-being.

An original contribution of Barbara Hobson to a framework for policy regime analysis sensitive to gender is her suggestion of using the category of 'solo mothers' (or 'lone mothers' or 'single earner households', although it is not exactly the same) as an analytical category for understanding gendered dimension of welfare states. The assumption is that the position of a solo mother in a particular welfare state synthesises all the gender relevant features of that state. In the case of lone mothers it becomes transparent that there is caring work to be done in a society and that it requires evaluation independent of a marital arrangement (if mothers earn for their living, their wage has to include the cost of caring; if instead they stay at home and care for children themselves, they have to be provided for the living). In addition, the kinds of state support solo mothers receive (assuming that all married mothers are potentially solo mothers) shape the equality in families by offering the possibility of opting out of marriage (if it turns

⁹ Her dimensions are: basis of women's entitlement; bases of claims to benefits; unit of benefit and

into an oppressive relationship).

Ann Shola Orloff

A capacity to maintain an autonomous household

Ann Shola Orloff has offered a gendered version of the 'power resource' analysis scheme for assessing social policy regimes (Orloff, 1993). Her scheme is composed of three¹⁰ dimensions, in her opinion representative of the gender content of welfare states.

The first refers to the state - market - family relations in welfare provision, and is supposed to account for the family contribution (basically women's unpaid work) to welfare or, in other words, for the family - state division of welfare labour. In her opinion "state provision that helps to shift the burden from the family to the state, or from women to men within the family, furthers women's gender interests" (Orloff, 1993:312). The main instruments of the shift in welfare responsibility are publicly provided (and financed) services regarding care and parenthood. The way care is provided (and domestic work is arranged) helps explain women's employment patterns, that is in its turn relevant for women's access to employment related welfare benefits. The second dimension concerns the stratification effect of the welfare state regarding gender relations. There are at least two stratifying mechanisms in that regard. "Women are disproportionally disadvantaged when benefits reflect work-related inequality" (Orloff, 1993:314), due to women's inferior status in the workforce. But welfare states reinforce gender hierarchy in another way by privileging full-time paid workers over unpaid workers (care and domestic work) and part-time workers (who combine part-time paid

contribution and recipient of benefits; taxation policy; employment policy; who is caring and how is caring

work with domestic and caring labour). It has been done via directing men's and women's basis of claims into two different tiers of the system of welfare provision - social insurance programs (serving predominantly male clientele) and social assistance programs (targeting predominately female clientele).¹¹ These programs entail different political evaluation in terms of 'earned' - 'non-earned', 'deserved' - 'undeserved', and consequently grant different levels of benefits. In the context of the stratification effect of welfare states Orloff makes an interesting point, far-reaching for the further work on gender analysis of welfare states, gender division in fact cutting across two tier state programs. Social insurance covers male breadwinner headed households, including dependant family members: wives and children. Social assistance is available to the households maintained by unemployed (or not full-time employed) women, who must base benefits claims on their status as mothers - single mothers. Thus, a two tiered system of social provision divides women through its different treatment of wives (insured via husbands) and single mothers and reinforces the difference between two-parents and single parent families. The connection is important because an equal treatment of different families' forms helps women's exit from potentially oppressive relationships.¹²

The crucial dimension that distinguishes welfare state regimes in Esping-Anderson's analysis - an extent of de-commodification¹³ achieved is in Orloff's framework only an element of the more inclusive concept of self-determination. The concept **includes de-commodification** - describing an individual's relationship to the labour

work valued.

¹⁰ The third one is itself composed of three independent ones.

¹¹ Here Orloff has in mind US experience and Nancy Fraser's work from 1989.

¹² The importance of the possibility of exit from an unsatisfactory marriage was also emphasised by Hobson (1994).

¹³ De-commodification is a capacity to maintain a standard of living as a matter of right.

market (and makes sense, within the gender context, for the 'commodified' women only) and a capacity to maintain an autonomous household - describing an individual's relation to marriage. "The capacity to form and maintain an autonomous household relieves women of the compulsion to enter or stay in a marriage because of economic vulnerability..." (Orloff, 1993:321). The right to exit an oppressive marriage, paralleling the effects of the citizen's wage for workers vis-à-vis market, alters the power relations within marriages. "The state is women-friendly to the extent that it enhances women's leverage within marriage (e.g. by reducing domestic violence or imposing domestic obligation on men) or increases the absolute and relative standards of living of women-maintained families." (Orloff, 1993:321)

Orloff points to two strategies (and alternative forms of 'women friendliness')¹⁴ to accomplish this: 1) Access to paid employment (and shifting domestic/caring responsibilities) and 2) Secure incomes for the full-time domestic/care workers (a maternalist strategy). The latter strategy is accomplished if there is a) a parity between benefits for stay-at-home mothers and wage earners' benefits and b) a standard of living for single mothers comparable to their married counterparts.

Orloff's analytical dimensions can be schematically summarised in the following way:

- I The extent to which the state has taken over the provision of welfare services, especially from the family (family-market-state relationship);
- II The basis of peoples claims and their relative treatment (stratification);
- III The extent of women's self-determination.

¹⁴ That could be either theoretically postulated or inductively developed from the history of the feminist movement.

- 1) The extent of de-commodification
- 2) The capacity to maintain an autonomous household.
 - a) Women's access to paid work (the relative treatment of paid and unpaid work: women-workers vis-à-vis women-careers)
 - b) The difference in standard of living connected to the family form (single mothers compared to married mothers).

Alan Siaroff
European 'gender regimes'

A. Siaroff's attempt is relevant because he has actually applied a multi-dimensional space constructed by three gender relevant features of welfare states on a sample of 23 OECD countries (Siaroff, 1994). His dimensions are female work desirability, family welfare orientation (footnote: based on Willenski's measure of family policies in three areas: 1) maternity and parental leave, 2) public day care programs, and 3) flexibility of retirement systems), and which parent is the recipient of benefits. It is interesting to note that family welfare orientation is shown not to correlate either with female work desirability or with the mother as chief recipient of benefits. On the other hand the correlation between female work desirability and family benefits going to the female is shown to be a highly significant. It renders, in effect, the three-dimensional space to a two-dimensional one within which countries group in four clusters.

On that basis Siaroff suggests that there are four gender relevant welfare state regimes:

- 1) *Protestant social democratic welfare states* - the type applies to Denmark,

Finland, Norway and Sweden. In Siaroff's opinion "these are the only nations to provide (comparatively) a true 'work -welfare choice' for women, in that female work as an end in itself is relatively desirable. Moreover, family benefits are high, and are always paid to the mother" (Siaroff, 1994:95).

2) *Protestant liberal welfare states* - the type applies to the English-speaking world: Australia, Canada, New Zealand UK and US. It is characterised by low family welfare, high female work desirability and women as recipients of family benefits.

3) *Christian Democratic welfare states* - the type applies to Austria, Belgium, France, West Germany, Luxembourg and the Netherlands. There are no great incentives for women to work in these countries, but strong incentives not to work and stay at home. Family benefits are generous, although mainly paid to the breadwinner (men).

4) *Late female mobilisation welfare states* - the type applies to Ireland, Greece, Italy, Spain, Portugal, Japan and Switzerland. The regime is characterised by no family welfare and poor female work desirability.

It is almost impossible not to attempt to interpret Siaroff's regimes in terms of the favourite feminist theme: female dependence.¹⁵ If women rely on the market (employment), state (welfare benefits and public services) and men (marriage and not directly paid caring work) for their well-being, the welfare regimes listed above relieve different 'dependence' choices for women: In the social democratic type the choice is between market and state; the liberal regime offers the market - men choice; in the Christian Democratic countries the state is an alternative to men (marriage); finally, late female mobilisation states seem to be the case of pure female dependence on marriage

¹⁵ For an extensive review of all areas of interest of feminist approaches to the analysis of social policies

and men. The regimes may be also interpreted to show the two (independent) welfare state strategies in respect to gender relations (as suggested by Orloff): equal employment opportunities for men and women and secure income for full-time domestic/care workers. If it is difficult to say which of the two strategies better promotes women's interests, both strategies could be shown, on the example of the Siaroff's regimes, to have a 'good' and a 'bad' variant. The Social Democratic regime, based on high female labour participation and the Christian Democratic regime, based on the family wage are 'good' since there is the state provided option exemplified by the high extent of de-commodification and developed backing from public services in case of the former and by a high living standard of lone mothers in case of the latter. Both the liberal regime, based on the high female employment rate, and the late female mobilisation regime, based on the breadwinner dependence, are 'bad' cases of the respective strategies because of mothers entirely depending on private provision of care (that the majority cannot afford), or marriage (without an economically feasible option of exit), or second rate social assistance benefits (that most often do not provide for living).

Mary Daly

'From women in the welfare state to gender analysis of welfare state'

Mary Daly's is, in my opinion, the most elaborate attempt to build an analytical framework for the comparison of gender content of welfare states (Daly, 1994, 1997¹⁶). Her effort took two basic directions: 1) conceptualisation of the gender relevant aspects of welfare state provision; 2) modelling of the gender relevant outcomes.

The notion that captures the first analytical task is the distributive principles

see J. O'Connor, 1996.

¹⁶ This presentation is based on Daly's article from 1994 and her unpublished PhD thesis from 1997.

whereby public resources are allocated. "This concept embodies both institutional elements as well as the normative conditions under which people can make claims on public resources." (Daly, 1997:56) 'Public resources' involve financial state activity (cash transfers and personal income taxation) and public services. She further suggests the three elements that "capture the distributive principles of welfare as they may effect gender relations" (Daly, 1997:57): a) The 'risk universe', b) the construction of entitlement, and c) the treatment of different family types. The 'risk universe' encompasses the range of risks covered, including the unique income risks for women as "defined by female biological construction (birth-giving) and the social construction of caring, as primarily a woman's role" (Daly, 1997:59), the basis of claims (need, contribution, a citizen's right) and the hierarchical ranking of male and female risks and basis of claims. The construction of entitlement "speaks to the status of the applicant within the context of his/her family or household circumstances" (Daly, 1997:60). It refers to the unit of entitlement and the treatment of 'dependants'. The treatment of different family types by various welfare states is relevant to look at specifically because of the single headed households (or lone mothers' families).

Mary Daly further suggests that the welfare states effects in regard to service provision could be best conceptualised (and assessed) through the 'management of caring' defined to refer to "the tasks involved in caring for the personal needs of others, especially the young, the ill and the elderly" (Daly, 1997:61). The concept directs attention, at a macro level, to the institutional division of labour between state, market and family with regard to caring work. At a micro level, in terms of individual lives, it

"provides an entree to the construction of work as paid or unpaid and is therefore one key to uncovering the distribution of resources, roles and life opportunities between women and men". In order to meaningfully grasp the gender content of welfare state provision, Daly has proposed a definition of the welfare state as " the body of publicly founded and/or provided *services* (italic mine) and income maintenance programs designed to redistribute resources across individuals and households" (Daly, 1997:62).

Turning to the task of modelling gender relevant outcomes Daly looks at the two types of redistributive effects of welfare states. The first one - 'resource based' - refers to welfare states' effects on "the financial situation of women and men individually, but also in terms of how they structure resource distribution between them" (Daly, 1997:63). The second one - 'incentives structures' - captures the more qualitative welfare states effect on the gender relations. It refers to the capacity endowed to each sex to participate, or not, in the labour market and/or family, that in its turn shapes and limits the amount of choice open to women and men.

A connecting term between salient features of a social provision system and its gender relevant outcomes is found in the processes whereby 1) the maintenance of family members is constructed as public or private and 2) the caring (predominantly female) labour is constructed as paid or unpaid.

3. CONCLUSION

Gender aspect of construction of citizenship in East/Central Europe

Given the context of institutional change in East/Central Europe I would like to focus my research on the welfare state effect on sexual division of labour. The emphasis

is not on assumption about gender relations underpinning social policy measures, but on policy capacity to construct particular gender relations. This process of construction of gender relations by the means of social policy instruments is only an aspect of the more general process of building a foundation for new conditions of full social membership (citizenship) in East/Central European countries. Thanks to the literature on gender and welfare states, the gender formation aspect of this process cannot pass unnoticed. We know now that it takes place by drawing "the boundary between the public world of paid work and political participation and the private domain of the family" (J. Lewis, 1997:167).

It was stated at the beginning that concepts of gender relations and social policy need clarification in order to be usefully applied. In respect to the former it is wise, for the purpose of understanding the process of gender construction, to equally value the two strategies of achieving women's emancipation within a social policy system, namely - access to paid employment (and shifting domestic/caring responsibilities) and secure incomes for the full-time domestic/care workers (a use it in a non-evaluative meaning. Thus, by gender relations I would mean the way in which socially necessary labour (including caring labour) and, respectively, social resources are divided between sexes. We have seen that the key for understanding a particular case of sexual division of labour is the social location and evaluation of caring work. This type of work has traditionally been located within the private sphere of the family and attached to women as their exclusive task. It has significantly complicated women's (mothers') access to the paid labour market and, since caring was not directly valued, rendered them economically

dependent on their husbands.¹⁷ The concept of the welfare state that has to be adopted here encompasses political organisation of the economy, or, in other words, a configuration of the family, market and state in providing people's well-being. It is so for two reasons. First, if one wants to account for a formative capacity of a welfare state, he has to endow it with such a capacity by definition. Second, only such a concept of the welfare state allows us to perceive the caring work (for analytical purposes) a part of socially necessary labour and not a disposition that renders a career a risky category if not married or employed (as is the case if one adopts a concept of the welfare state as only an ameliorative institution). The family cost is consequently perceived to contain the cost of children plus a career wage. Welfare states then effect sexual relations by the means of 1) different 'caring regimes', i.e. by defining who cares and how caring work is valued. 2) Labour force participation in this context indicates the direction, not the value of a caring regime strategy.¹⁸ No strategy is taken to be by definition unfavourable in terms of income distribution and poverty rates. Caring within a family, in the capacity of being economically dependent need not be 'bad' if care is an independent source of living in the single headed families. On the other hand, high labour force participation of both men and women need not be 'good' if there is no public child care and wages are not high enough to pay for private care. 3) The third dimension on which to assess a welfare state impact on gender is established to be the basis of claims: need, contribution or a right based on citizenship. Only these three aspects of a welfare state considered together help to predict its gender outcome. Again, in East/Central Europe context it is wise not to

¹⁷ This has not been the case in the per-reform socialist systems based on the policy of full employment, *but may happen, after the change.*

¹⁸ Here I have in mind the strategies formulated by Orloff (1993): access to paid employment for women or secure income for the full-time care workers.

assume the 'regime-ness-ness' of a state, in the sense that all the gender relevant features compose a coherent type. Instead of the concept of regime, it seems plausible to make good use of a limited number of dimensions of variations (not necessarily correlated with each other).

If frameworks for studying gender content of welfare states developed so far provide a good orientation for what to look at in order to predict gender outcomes of East/Central Europe social policies, a research conducted within the context of East/Central Europe today would help select analytically promising aspects of these frameworks, worth further development. Among these are 1) focus on gender effects and not gender assumptions of a welfare state; 2) focus on gender relations as a feature of a society and not a women's issue; 3) an inclusive and broad concept of the welfare state; 4) a perception of caring work as a socially necessary labour and not a 'natural' disposition; 5) analysis of the position of 'lone mothers' in a society (perceived not as a risky group but the group that synthesis all the relevant information about a welfare state in respect to gender), and 6) a preference for dimensions of variation over the regime concept (at least as the starting point of analysis).

I propose to *approach an assessment of the social policy change*, in order to understand its gender implications, with *the following questions in mind*:

- What are the rate and the pattern of female labour force participation?
 - How is the cost of children and their care financed? (Child care provision and family allowance)
 - How are pregnancy and early parenthood treated? (Maternal/parental leave
-

arrangements)

- Where are, in the system of social protection, the risks of a carer located? (The prevalent basis of entitlement to social benefits – universal right, social insurance or social assistance)

Before attempting to address these questions, we are turning now to the project and accomplishments of the transformation processes in the region.

II. THE ESSENCE OF REFORM IN CENTRAL AND EAST EUROPE

In this chapter, social policy transformation in CEE and its potential effects on gender relations is situated within the broader framework of the transformation of centrally planned into market regulated economy. A parallel process of the replacement of one-party political systems with systems that provide for a degree of democracy will be left aside for the time being. Goals that are supposed to provide a justification for the processes of transformation (not that a justification is necessary once the change has started) could be formulated as the increase of individual freedom and opportunity choice, enhanced protection of individual rights and the increase in living standard. In the economic sphere these goals are taken to be best promoted through an efficient use of social resources via market regulation and consequently bigger income differentials as an incentive's mechanism. That posed two main transformation tasks before CEE countries: 1) the state retreat from the sphere of the economy; 2) the introduction and furnishing of markets. These tasks have been achieved through several mechanisms of

transformation. The most important mechanisms have been price and wage liberalisation, cancelling of state subsidies, privatisation of economic enterprises, state sector transformation, and setting up of the new legal frameworks. The macro-economic context within which the transformation mechanisms have been put up to work will be also considered.

1. PRICE AND WAGE LIBERALISATION

Prices and wages were heavily controlled by the state before the changes, and were used as redistributive mechanisms instead of being the mechanisms of efficient allocation of labour and capital as in market economies. The process of price liberalisation had an early start in all CEE countries but took a different pace within the region. By the end of 1991 there was on average only 15 percent of regulated prices throughout the region. In the Czech Republic food prices liberalisation in July 1990 raised prices by 29 billion Czech crowns; that was followed by a devaluation of the crown from around 20kcs:1\$ to 29kcs:1\$. Liberalisation of practically all prices as of January 1991 (with the exception of a few vital goods where some maximum price regulation prevailed) raised prices by a total increase of approximately 40% in March; energy and heating prices have been increased in May and rents in autumn 1992 (Tomes, 1993:140). Inflation - an old problem - exacerbated with the new rates and reasons for it. On the other hand, the wage control has been maintained in some countries in order to avoid an unemployment shock. In the Czech Republic, for example, the state maintained some control over average wage increases for the first two years of transition (Maximum Wage

Regulation, no. 15 of 1991).

Hungary is the case of gradual price liberalisation, which was already initiated under the old regime. By the time the Antall's government came to power in 1990, only 20% of consumer prices were regulated administratively. In terms of wage policy, Hungary differs from the Czech Republic and the other countries in the region by ceasing to re-impose a form of wage control, after initial wage liberalisation. Instead, the government has checked wage growth indirectly, by putting ceilings on wages within public administration, by exercising ownership rights in state-owned enterprises, and by moral persuasion (OECD 1995: 54-7).

2. CANCELLING OF STATE SUBSIDIES

Under socialism the state subsidised the prices of basic goods and thus made them available to the broad range of the population. State expenditure on education and health at the end of the 1980s represented 12 to 16 percent of household income in Hungary, Poland Czechoslovakia and Yugoslavia (Milanovic, 1995, Table 17-6). In 1988 consumer price subsidies represented between 5 – 10 percent of GDP in the region. Housing subsidies varied considerably across the socialist countries, partly depending on the dominant pattern of housing tenure.

However, this prevented an efficient allocation of goods and labour on the basis of their real value. The elimination of subsidies has been considered a necessary step of the economic reform. As in the case of price liberalisation, Hungary took the gradualist approach in contrast to the Czechoslovakia, which saw a drastic elimination of subsidies

in 1991. "Between 1989 and 1993, the share of subsidies in GDP dropped from 12.1 to 4.8 percent in Hungary, and from 25 to 4.4 percent (Czech Republic) and 4.8 (Slovakia) in the former Czechoslovakia" (IMF 1994: 82f. table 15).

3. PRIVATISATION

Private ownership is taken to be a necessity for competitive markets. However, by the end of 1994 more than half of the enterprises planned to be privatised were still state owned. In addition, states maintained large shares in the so-called private enterprises. Some countries completely slowed down with the privatisation after the initial attempts (Slovakia, Bulgaria), some opted for the gradual privatisation (Hungary), some almost have completed it in an event of rapid mass privatisation (Czech Republic). The logic of privatisation adopted by the countries differ as well. Hungary opted for a capital injection (it has sold state owned enterprises), so that between 1990 and 1992, 70 percent of sold property went to the foreign buyers. The Czech Republic, on the other hand, divided formerly state owned property among citizens through the process of mass voucher privatisation and thus followed a logic of 'social justice'. Property nationalised by the communist state have been given back to their original owners without any social unrest (Rosenberg, 1991: 2). A coupon privatisation scheme (more than 70% of population support - which means that an estimated 70% of the adult Czech population participated) should have been completed by 1996, at which point only 10% of property would remained in the hands of the state. By the end of 1994, one third had sold their shares, making personal gains of five times the average salary, a form of financial

compensation in times of hardship (Castle-Kanerova M., 1996:291). The main beneficiaries come from nomenclatura and successful groups in the shadow economy. The same data suggest that “nomenclatura has, through privatisation process, come to occupy the most crucial dynamic sectors of finance capital such as banking and insurance” (Castle-Kanerova M., 1996:291). The problem of the transformation of big state industries, church property and the property of former communist organisations remain unsolved. On average, people have been accepting the process positively despite a significant social stratification. The present economic situation in the Czech Republic is encouraging. GDP is recovering, inflation is among the lowest in CEE, the unemployment remarkably low. However, non-governmental sources and trade unions, in particular, seem to be less optimistic. There are studies suggesting the official figure of a 4% growth rate in 1995 mainly reflects a temporary influx of foreign capital, with relatively low levels of long term investment. In these views, the domestic productive economy has not regenerated, production level declined from 39% of the EU level in 1989 to 33% after 1992. Some 60% of industrial enterprises are not economically viable (Heczko, 1994).

In 1995 the share of the private sector in GDP amounted up to 45 percent in Bulgaria, 60 percent in Hungary and Slovakia, 75 percent in the Czech (Elster et al, 1998:199). However, it is argued that three quarters of the private sector is composed of small businesses with no employees, in the Czech Republic. The small entrepreneurs have been recruited primarily from the skilled working classes “and their interests are likely to remain those of ‘petty bourgeois’ artisans. The growth of the entrepreneurial middle strata is still fragile and hampered by taxation as well as low earnings for the

professional groups that do not give rise to savings and thus investment” (Castle-Kanerova M, 1996:289).

4. SETTING UP OF A NEW LEGAL FRAMEWORK

A complementary process to the state retreat from regulation of the economy is the furnishing of markets with the institutionalisation of new rules of behaviour. In the first wave of the making of a legal framework, states have introduced laws on property, contract, company and competition, at a different pace in the various countries. In the second wave, laws on the particular markets have been introduced. A bankruptcy law (that would regulate the liquidation of firms) has been introduced with the biggest delay. It is worth mentioning that the legal system reformers have been inspired prevalently by the requirements for compatibility with the laws of the EU. Among the EU countries, a particular model has been found in (West) Germany. Nevertheless, legal insecurity has remained a common feature in CEE. Instead of being understood as a given framework, law has been made an object of political manipulation. The practice of not respecting the law usually does not end in a sanction, but in an adjustment of the law itself.

5. STATE SECTOR TRANSFORMATION

There is a tendency in CEE to connect the unavoidable processes of the restructuring of the economy to the process of privatisation, while leaving the state sector intact. Thus, the major failures of the transformation concern the incomplete

demonopolisation of state owned firms, which lead to the misuse of their still dominant position in the market. The most difficult problem has been to disentangle strong ties between the banks and the state owned industrial giants. At the same time, a decomposition of these firms, the development of their internal competition and the contraction of the industrial state sector have been delayed.

A contemporary result of these changes has been the particular CEE variant of capitalism. There, some 20-30 percent of GDP is produced within the 'grey economy', that, contrary to the expectations, has not evolved into legally regulated business. Partly, state owned enterprises joined this grey area by common efforts of tax evasion. The main feature of the CEE capitalism is a particular kind of economic dualism (Barr, 1994). There is a new private sector economy characterised by small trade and service firms, short-term transactions, and weak internal ties. In addition, there is a sector inhabited by state owned firms and incompletely privatised firms, banks, central and local governments, that have still maintained strong internal ties, long-term projects and a great degree of passivity in respect to adjustment to market led behaviour.

6. THE MACRO-ECONOMIC CONTEXT

The macro-economic context within which the described changes took place involves a distorted sectorial structure, a rapid decline in production output, especially in the state sector, and a dramatic decrease in state revenues at a time of increased demand for social expenditure, and in some countries (Hungary, Bulgaria) the heavy

burden of foreign debts.

Table 1: Selected economic indicators for Hungary (first row) and the Czech Republic (second row)

	1989	1990	1991	1992	1993	1994	1995 proj.
	(Percentage change)						
GDP	0.7 1.4	-3.5 -0.4	-11.9 -14.2	-3.0 -6.4	-0.9 -0.9	2.0 2.6	3.0 4.0
Industrial gross output	-1.0 0.8	-9.6 -3.5	-18.2 -22.3	-9.8 -7.9	4.0 -5.3	9.5 2.3	6.0 n/a
Agricultural gross output	-1.8 n/a	-4.7 n/a	-6.2 n/a	-20.0 n/a	-6.9 n/a	2.4 n/a	n/a n/a
Consumer prices (annual average)	17.0 2.3	28.9 10.8	35.0 56.7	23.0 11.1	22.5 20.8	18.8 10.0	29.0 10.0
Wages per full-time employee	17.9	27.2	33.4	24.7	22.0	24.7	n/a
Wages in industry (annual average)	3.2	4.5	16.7	19.6	23.8	15.7	n/a
General government expenditure	61.0 64.5	57.5 60.1	58.3 54.2	63.4 52.8	60.5 48.5	n/a 49.0	n/a n/a
	(In billions of US dollars)						
External debt, net of reserves	19.2 6.8	20.2 7.7	18.7 8.3	17.1 8.6	17.9 3.9	21.7 2.8	n/a n/a
	(In percent of the labour force)						
Unemployment	0.3 0.0	2.5 0.8	8.0 4.1	12.3 2.6	12.1 3.5	10.4 3.2	n/a n/a

Source: Economics of Transition, Volume 3 (2), 1995.

Data for 1989-94 represent official estimates of outturns as reflected in publications from the national authorities, the IMF, the WB, the OECD, the UNECE, PlanEcon and the IIF. Data for 1995 reflect European Bank evaluations, partly based on information from the aforementioned sources about developments during the first half of the year.

The average GDP per capita of CEE countries is, in the best, likely to be half or less of the low income OECD countries such as Greece and Portugal. The initiation of market reforms caused real GDP in these countries to decrease by 6 per cent in 1990, and further 14 per cent in 1991 (with Bulgaria down 25 per cent). Distorted sectorial structure requires that disproportionately developed agricultural and industrial sectors in the former socialist economies should be significantly contracted in favour of the underdeveloped service sector. In addition, it demands the movement of capital and labour from one sector to another, which in its turn involves huge labour lay-off and causes unemployment. A decline in state sector range and output lessens a stable tax base (it is

still very difficult to regularly collect taxes from the new private sector) and reinforces the fiscal crisis common throughout the region.

At the same time, the social consequences of the restructuring of the economy and a decline in output have put heavy pressure on state budgets. According to Guy Standing (Standing, 1996: 230) "...the countries of the region were suddenly plunged into the global economy, when their industries were chronically uncompetitive, suffering from antiquated technology, low and declining labour productivity and a pattern of integrated trading between themselves that became severed extraordinarily rapidly". An immediate social effect of the transformation processes within the given macro-economic context and the particular sequencing of economic reform has been an explosion of unemployment and impoverishment of a large section of the population. It is worth knowing concrete causes of these phenomena, so to be able to predict their duration and distinguish between short-term and long-term fluctuations of the labour market and living standards, and corresponding social protection demands.

Mass unemployment is a new phenomenon in CEE. Firms can no longer pay for social over-employment (due to the policy of full employment at all costs). Partly, unemployment is the result of labour market forces that cause the movement of labour towards productive jobs. As such it will remain a salient feature of the CEE market regulated economy. Partly, it is produced by the process of economic sectors restructuring and the closure of state owned firms. In almost all CEE countries unemployment amounts to two digit figures, with the particular difficulty of long-term unemployment.¹⁹ The still developing private sector cannot absorb employee reduction in the state sector,

¹⁹ It has not been the case in the Czech Republic where unemployment rates were 5% in 1992 and 3.5%

and falling production output prevents entrees and re-entrees to employment on a large scale. Also, "high social demands concerning minimum wage and social security contributions making manpower expensive and industries uncompetitive" (Tomes, 1993:141) stop employers employing people. Especially hit by unemployment are women, young, unskilled, industrial workers and miners, and workers from underdeveloped regions.

Mass impoverishment comes from the decline in production output, price liberalisation (especially where combined with maintained wage control), withdrawal of state subsidies, canceling of social protection programmes and the deterioration of social benefits, and (long-term) unemployment. The most impoverished are: pensioners, large and one-parent (most frequently - single mothers) families, children, working poor, long-term unemployed (especially the unemployed with children). The working poor has been a new category in CEE as employed have experienced a huge reduction in real wages during the initial period of stabilization (in Poland - 40 per cent in 1990 on a December to December basis, in Bulgaria - almost 60 per cent during 1990, Holzmann, 1993:9). However, in the Czech Republic, the number of people living below the poverty line is very small, so far (3% of families, 6% of children live under the official minimum standard, the figure is going up to 11% of households and 19% of children measured by the real purchasing power in 1989. (Rosenberg, 1991: 2, 21). In 1994 only 5,5% of households had income below the official social minimum (Zizkova 1994). Moreover, the average monthly income increased from 10.6 to 11.4 % between 1992 and 1994 and by 6% in 1995 (taken into account the index of expenditure). On the other hand,

in 1995 (Socialni Politika 1/1995). But even there, the problem of over-employment with some 20 per

according to Hirs real incomes in 1993 were 21% lower than in 1990. In 1995 one survey found 64 per cent of the households reporting a worsening of their economic situation, 20 percent some improvement and only 9 percent a significant improvement, in comparison to 1989. Consumption patterns change so that families make more use of home produced goods and services, go out less, spend less on culture and sports and limit their use of public services.

Everywhere, the social cost of transition turned out to be much higher than expected: unemployment, price liberalisation, reduction on social benefits...worked towards mass impoverishment of the population. According to Milanovic (Elster et al., 1998: 246) the gap between the poverty line and the income of the average poor is still narrow. Most of the poor have access to durable goods and accommodation. Their education and skill level is quite high. Thus, if economic recovery comes soon enough, a large number of the poor may escape poverty relatively easily. If it is too late, or only higher income groups enjoy the benefits of economic revival, the picture of poverty may worsen dramatically.

III. SOCIAL POLICY TRANSFORMATION

As the state has been gradually retreating from the economy, the space has been open to a formation of systems of social policy proper, as they are known in the world of western democracies. Two broad groups of social policies will be analysed in this

cent of the labour force in 'surplus activities', remains unresolved.

chapter. The first group, previously non-existent, contains policy responses to the emerging unemployment and mounting poverty, by means of the various unemployment and poverty relief policies. The second group refers to the modifications of already existing social security systems. Particular emphasis will be given to differentiation between contributory and general taxation based schemes, financing and management of social protection, pension reform and family policy modifications. Before addressing these groups of policies, an account of the inherited social policy arrangements will be given.

1. THE INHERITED SOCIAL POLICY

There was no separate social policy area with its specific institutions and actors, under the old regime in CEE. Social policy goals were an integral component of the production process, operating under the conditions of a full employment economy. The separate goals of social policy were not transparent because, at least according to official ideology, they were identical to the goals of socialist economic policy – namely, a provision for social needs. The range and amount of social needs were in their turn determined by the leading and only political party. In addition, the form, content, and level of benefits were ultimately determined by the party-state, and were rather gifts than rights in their essence (Ferge 1992: 207).

A close correspondence between employers' and workers' interests in a 'classless' society was assumed. Therefore the focus of welfare provision was the state-directed enterprise. Firms provided creches, holiday homes, housing, health service, training, and

other welfare facilities (a developed system of fringe benefits). In addition, most cash benefits came with the job. Social protections systems were broad in range and universal in entitlement, covering different groups of employed persons (blue and white collar, civil servants, farmers and the few self-employed) under essentially identical provisions (Holzmann, 1993). The coverage ratio of the main social programmes (pensions, sickness, medical care, and family support schemes) was close to 100 percent (Holzmann, 1993: table p.5/6), but they only guaranteed a low standard of living and often were of poor quality (as in the case of health care).

Social programmes were largely financed by earmarked contributions of enterprises (payroll taxes), but funds were not separated from the general state budget and benefits not linked to previous contributions. There was a relatively high expenditure level as a share of GDP (Holzman, 1993). There was no market or non-profit sector provision of welfare. "State protection also presided over family care to enable women to participate in the labor market and, further to ensure political control over the socialization of children. The family and the neighborhood economy only served as stopgaps to alleviate the deficiencies of collectivist protection. (Elster et al., 1998: 205)."

In Hungary, for example, the system of social security was basically a system of social insurance, including flat-rate and earnings related benefits in cash related to employment; also some universal benefits in cash such as a maternity grant at childbirth; and social assistance in cash that was the responsibility of local government (Ferge, 1991).

The case in the Czech Republic was similar (Potucek, 1993). The pre-World War II system of social security was based on the instruments of social insurance (the

Bismarckian tradition transferred via the Austro-Hungarian Empire), complemented by some schemes financed from general taxation, and a long tradition of voluntary work. Post- World War II Czech social policy was based on the principle of full employment; creches and kindergartens enabled mothers to work. The state assumed social functions “normally performed by the family, the community, voluntary organisations and private institutions in a civic society” (Potucek, 1993:129). From the beginning of the 1960s, universalist schemes became more important. During the 1970s and 1980s, specific employee social services flourished in various branches of material production. After the war, low wages, usually two incomes, in a family were supplemented with family allowances. In the seventies maternal allowances were developed. Social security covered age, health, maternity (pregnancy and bringing up children). Originally it was conceived as an insurance scheme, but in the 1960s it was ‘nationalised’ and its funds dissolved. The schemes involved very generous eligibility conditions and extensive in-built social redistribution mechanisms. Social security schemes were conceived as universal and compulsory, providing benefits as a right (Tomes, 1994:2-4), and supplemented by social welfare schemes providing assistance for defined groups of the population (the groups of unemployable people). These schemes were not designed to handle standard (in the **Western type** market driven societies) poverty issues of low income families and long-term unemployed. Employment and wage policy and family allowances, plus social security (of almost universal coverage in a situation of full employment), plus extensive price support policy (that amounted to approximately one sixth of the annual wage bill) were the corner stones of the pre-1989 socio-economic system on which people relied for their well-being.

In contrast, in market economies, economic organisation aims at an efficient production and allocation of social resources. Employers' interests are invested in profit raising; employees are interested in better wages and conditions of employment; the state finds its interest in a large and wealthy tax base. Sickness, old age, unemployment, pregnancy, maternity leave, and inadequate qualifications are considered to be risks, because of which a person and whole families could suffer poverty and existential insecurity. In market economies, "the welfare state is designed as an institutional supplement to the labor market which compensates for 'social risks' ex post, in case the persons concerned cannot be expected to (fully) meet their needs by their own efforts" (Elster et al., 1998: 205).

A profound reform of existing social protection was considered an indispensable element of social transformation by the majority of political forces and social policy experts. Tómes formulated it as a "definite need to transfer the systems from an additional income pattern to an income support system, with eligibility for benefits based on and defined by need" (Tómes, 1994:5). Holzmann mentions three major reasons to transform the social programs in CEE countries: 1) to support the economic transition in social and political terms; 2) to adjust the programmes to a market-oriented environment; and 3) to prepare for shifts in the demographic structure. The first two are of major interest in this paper. In the short run, according to Holzmann, traditional social programmes in many CEE countries are likely to become financially unsustainable. In the long run, the current programmes, if unreformed, would put a too heavy burden on the productive sector of the economy and leave little resources for savings and investment. The introduction of the price mechanism of the allocation of resources and exertion of

property rights by individuals - the two pillars of a market economy - require an immediate change in social programmes' expenditure level, benefit structure, organisation and financing. "Unless reformed, these programs will become too expensive, socially ineffective, and/or detrimental to an efficient use of resources" (Holzmann, 1993:7). After wage differentiation becomes common, some benefits such as pensions need not replace the same portion of prior income for higher earnings levels, thus leaving the scope for private provision. In the case of family benefits, in Hozmann's view, the rationale for high and universal benefits diminishes. A clear distinction between earnings related and social welfare-based programmes, their organisation and their financing, would help to minimise the allocative distortions of social programmes in a market environment.

East European authors also recognise the need to change the social institution system so to reduce the high benefit expenditure level resulting from the high average replacement rate of pensions and high contribution rates to international standards. However, they tend to formulate it in less economic and more ideological terms. For example, Tomes (Tomes, 1993:137-140) supports a more transparent system of earmarked contributions, after 40 years of social security financed through general taxation, with government responsibility for the solvency of the system and publicly funded (means-tested) social assistance. Regular pension adjustment, together with a reliable and indexed means-test system had to be introduced as a safety valve for the social tension (institutions to meet rising unemployment and inflation). In the long run, democratic control over the social security system is to replace the government bureaucratic management. Also, social rights to gainful employment, to a fulfilling social

existence and the guarantee of a reasonable minimum standard of living (active income programmes rather than emphasising assistance plans) are to be re-established through the introduction of an active (pro-employment) unemployment programme and an effective means-tested assistance programme.

In fact, only few basic changes have occurred in the system of social protection in recent years. Neither has the old system been radically dismantled, nor has it been radically transformed into some variant of the strong West European welfare state, as initially intended (Elster et al., 1998). "...By design or by default, the reformers removed the three pillars on which the former system had been legitimised, and on which the majority of the population had come to rely and value, namely guaranteed employment, social protection via subsidised prices, and enterprise-based social benefits, mostly through the direct provision of goods and services" (Standing, 1996:230).

2. UNEMPLOYMENT POLICIES

"New institutions were only created, so as to respond to emerging unemployment and mounting poverty" (Elster et al., 1998: 203). Unemployment and poverty relief policies were virtually non-existent before 1989 in the region. No one of working age was supposed to be unemployed. Job security, transfers and subsidies were on their hand supposed to guarantee a reasonable living standard. After 1989, both registration data and survey measures indicate the incidence of mass unemployment, with the exception of the Czech Republic (Boery 1994:16f.). Moreover, according to Boery, "transitional unemployment" seems to take the form of a stagnant pool. The rates of unemployment

raised due to massive labour shedding, but were further increased by the low rate of exit from unemployment. The newly emerged private sector seemed to have recruited its employees from the pool of the former state sector employees and not from the pool of unemployed. With the exception of the Czech Republic, data show that 40-60 percent of unemployed enters the category of long-term unemployed (for a year or more). A further feature of unemployment in the region has been a rapid growth of youth unemployment, higher risk among unskilled workers and marked regional differences. Part of an explanation for the low outflows from unemployment lies in the mismatch between regional distribution of vacancies and unemployment (Boeri 1944: 9-11; Scarpetta and Wörgötter 1955). Except for Hungary, more women than men are unemployed. Women and men share the risk of becoming unemployed, but men are much more likely to re-enter employment than women. There are several policies adopted in CEE countries to combat unemployment (Elster et al., 1998: 210; Deacon, 1992:170).

1) Policies which aim to minimise workforce reductions and stabilise employment in the state sector, have been introduced in the early stages of the transformation. They involve various measures, such as reduction of the number of shifts and hours worked; short-term work; non-paid leave; recruitment freeze; in order to keep as many workers as possible in some form of employment. The most representative case of this strategy has been the Czech Republic. Until the late stages of the socio-economic transformation, Czechs maintained a wage control policy, delayed and even prevented the state enterprises' bankruptcy, and, hence, kept unemployment at the lowest level in CEE. The group of unemployed is well protected by a functioning social system. The Right, as represented by CDP, is aware of the strong egalitarian feelings of the Czechs. So, more

than 'right-wing' orientation, social measures resemble the programme of social democratic parties: rent controls, national health insurance, retirement pensions with automatic valorisation according to the inflation rate, low unemployment through wage control. The most affected regions are heavy industry ones.

Most other countries in the region depart from the Czechs strategy. The Slovak economy suffered a greater output decline and job destruction, and weaker private employment growth than in the Czech Republic. In Bulgaria, the state sector contracted sharply in 1991 and 1992, after governments were forced to cut subsidies to enterprises. The private sector did not grow fast enough to absorb the unemployed. Hungary experienced firm liquidations on a large scale. In addition, the private sector not only did not absorb job losses in the public sector, but induced a considerable layoff itself (Elster et al., 1998).

2) **Measures 'designed' to reduce labour supply** account for a significant drop in the labour force participation (6-10 percent, Elster, 1998). They include early retirement, child-care leave, labour force emigration, and unregistered work in the private sector and 'black' economy. The decrease in labour force participation was higher among women than among men, especially in the Czech and Slovak Republic. The Czech government explicitly extended child-care leave from two to three years in mid 1990 in order to reduce labour supply (Elster et al., 1998:212). Leave was a strategy of escape from unemployment for some women, who had small chances of being re-employed and were discouraged from further job-searching.

3) **Unemployment benefits** took the form of an insurance-based, earnings-related scheme in CEE countries, contrary to the proposed flat-rate scheme by the IMF and

World Bank experts. A flat-rate benefit at or near subsistence scheme was suggested because it is targeted and cost-effective; it has the incentive effects; and it is easy to administer. The actually implemented schemes (in Hungary in 1989, Poland and Bulgaria 1990, CSFR, Romania and the former USSR in 1991, (Holzmann, 1993:11)) provided high initial replacement rates, wide coverage and little or no provision for long-term unemployed. Czechoslovakia introduced unemployment benefits for up to a year. Act no. 1/9 of 1991, mandated an unemployment benefit rate of 60 per cent of the first six months and 50 per cent the next six month of the last net wage prior to unemployment, or a lump sum equal to the minimum retirement pension in case of first employment or re-entry to employment after a pause of three years. Long-term unemployment beneficiaries had to rely upon social assistance; emphasise was also put on the (self)employment support programmes. In 1992 unemployment benefit level was fixed at 60 per cent of average wage for the first three month and 50 per cent for the following three month when the entitlements ends (Kalinova, 1995).

However, after rather generous income support schemes had been established, political actors started tightening eligibility criteria, reducing the replacement rates (in Poland a flat-rate unemployment benefit of 36 per cent of national average wage), shortening the duration of the payments, defining upper and lower limits, increasing the contribution rates...until all schemes started operating as de facto flat-rate systems. What happened? With an increase of unemployment, expenditure rose (as more people claimed benefits), while revenue decreased (because the jobless no longer contributed). The governments faced the problem of tax evasion. The issue of incentive gained in importance. Amendments to the initial design caused a marked redistribution in favour

of the low-paid, which was not intended by the reformers at the beginning.

The coverage of the scheme has also sharply declined over the period 1990-1993 (Elster et al., 1998: 216) due to the incidence of long-term unemployment and policy restriction affecting access to benefits and duration of payments. Again the Czech case seems to be exceptional. They took a restrictive approach to benefit provision by 1991. The administration excluded the possibility of receiving any additional income while claiming unemployment benefit, and stopped registering job-seekers above the retirement age. The Hungarian Employment Act, on the contrary, allows for the combination of benefit with a job that does not pay more than the minimum wage, in order to prevent poverty among the unemployed. Benefit level in Hungary has been set at 70% and 50% of replacement rate (benefit level inflation related - contrary to what Szalai claims); the period of receiving a benefit lessened from 1 year to 180 days and from 4 years to 2 years maximum (Deacon, 1992:172).

4) **Active employment policies** focused either on the supply (training and retraining programs) or the demand side (job creation and public work programs) of the labour market. In the Czech Republic a large share of money went to the promotion of self-employment and job-creation programmes in the private sector and public works. In Hungary, the most important active policy measure has been training and retraining.

3. POVERTY RELIEF POLICIES

Evidence shows deterioration in the standard of living, and an enormous spread of poverty among large sections of the population (less in Slovak and Czech Republic).

That could be attributed mainly to a sharp contraction of real average earnings that in their turn resulted from subsidy reduction and price liberalisation supported by the strict wage control, and the contraction of the state sector of employment. The worst hit are pensioners, large and single-parent families, the working poor, and the long-term unemployed. Governments reacted by introduction of various poverty relief policies.

1) **Compensatory income policy**

The aim of the income policy has been to liberalise wages and guarantee an income for low income groups. By Act no. 206 of 1990 in Czechoslovakia, an allowance is to be awarded to all citizens and funded from the state budget. It is gradually to increase with respect to dependent children and pensioners. Family income is to be safeguarded through a parental allowance up to three years after a child is born at the level of 66% of the average wage of women under 35, provided the parent is not employed and is caring for the child full-time. Provision is to be tied to average wage increase (Act no. 382 of 1990). There has also been a child allowance to compensate for price increases for each child; means-tested social assistance allowance for the families with low income and in addition a means-tested protection through a social safety-net.

2) By means of **social assistance reform**, governments have set up means-tested benefits as a last resort. There has been a strong drift to more widespread reliance on **means-tested** social assistance. In Guy Standing's words it "comes about through three routes: non-coverage because an insurance-type or universal transfer mechanism has not been introduced; *explicit disentitlement* through legislative changes tightening conditions for receipt of benefits; and *implicit disentitlement* through more people moving into

statuses that do not entail entitlement to benefits" (Standing, 1996:246). It is worth mentioning the case of family allowance in Poland that became income-tested in January 1995, as an example of explicit disentitlement. Only those families in which their per capita income was less than 40 per cent of the average wage were entitled to the allowance. Standing expects the measure to make it harder for those in need to obtain income support, because he believes that income testing and any new condition would reduce the take-up of benefits.

Before the dissolution of Czechoslovakia, by the Law of the Subsistence Level at the federal level and the Laws of Social Requirements at the republic level the state has been obliged to aid those whose resources fall below the subsistence level. In the Czech Republic the Living Minimum Act set a nation-wide poverty line (the living minimum of a four person household amounts to 1.2 times the average wage, in 1993) and guaranteed government support to everyone living below this benchmark (Elster et al., 1998: 222).

The Hungarian social Welfare Bill introduced a benefit to protect large families, pensioners, and long-term unemployed (after all forms of social assistance had been abolished in 1950; in the 1960s it crept back in for the elderly; in 1974 it covered families with children (Ferge, 1991)).

3) **Fixing minimum wages** was initially supposed to protect workers against unacceptably low wages and to ensure that transfer levels (connected to the minimum wage) would be kept in line with wage growth. The Czech Republic, for example, has adopted low income regulations of the British type minimum wage by industrial branch accompanied by some national minimum wage provision and/or a collective agreement

process. In practice, minimum wages have not been adjusted to inflation, which resulted in the creeping erosion of social protection standards. Deacon (Deacon, 1992:170) mentions measures introduced to compensate welfare recipients and employers for rapid inflation.

4) By maintaining **price subsidies and fringe benefits**, political actors excluded critical consumer goods such as fuel, transport, housing and drugs from price liberalisation in the first years of transition. In addition, fringe benefits and social funds were largely maintained under trade unions pressure (in Slovakia in particular). In Hungary a staged reduction of rent subsidies took place - rents could amount up to 20 per cent of a family income; at the same time, mortgage payments were raised by 100 and 50 per cent).

4. SOCIAL SECURITY REFORM

In contrast to unemployment and poverty relief policies, pensions, health care, sick pay and family support were in their place, but required a profound reform in order to be adopted to the conditions of a market economy. The conditions of the “new social contract” have been negotiated in the countries of CEE. Results of a value system study (Potucek, 1993:129-136) showed that, in the situation of Trade Unions crisis of legitimacy, 59% of Czechs and 50% of Slovaks preferred freedom to equality in 1991. In the same study around 70% of Czechs and 49% of Slovaks preferred individual responsibility to responsibility assumed by state. There are different solutions to the problem of social protection available in Western Europe. These models differ between

themselves to the extent that they encourage public versus private responsibility for social protection, earnings related vs. universal schemes, high replacement rates vs. stigmatising safety nets of the last resort designed to enforce a work incentive. The most famous typology of welfare 'capitalisms' (Esping-Andersen's) divides the Western world into liberal, conservative and social-democratic type.

The economic liberals of CEE proposed reforms "...to radically reduce state social protection and give emphasis to private security-enhancing arrangements instead" (Elster et al., 1998: 206). The old system (emphasising public responsibility for peoples' well-being) is viewed as a too heavy financial burden on the economy in general and the state budget in particular. The radical rollback of the state, described by Vaclav Klaus as "a market economy without an adjective", is seen as a cure to the unhealthy culture of dependency prevailing in the region. This group argued in favour of a strongly targeted governmental support, if any. "The state should be called upon, after all other social institutions have failed, to provide a network of security for all who want it, to meet their essential needs, sufficient subsistence income and basic health care" (Tomes, 1993:139). The moral aim of transforming the system of social protection, according to Tomes, is to (re)establish the "citizen's responsibility for the family and the responsibility of the family for each of its members. Group initiative should precede public solidarity, which should be the last option when all other means have failed....While depriving the citizen of his meaningful political rights and liberties, the state also deprived the citizen of responsibilities, thus reducing one's role from a subject of public life into an object of public care" (Tomes, 1993:138).

Different actors offer different proposals about the way of restructuring of social

security in Hungary: 1) Enterprise based insurance schemes instead of the comprehensive and compulsory social security systems have been popular among the new entrepreneurs, their chambers and their party. 2) Public ownership over the social security system, that would be run and controlled on a tripartite basis: employers, employees and the state, has been supported by the new free trade unions and some of the new parties. 3) The government proposal supports a national pension fund and a health insurance fund. All other services (support for families with children, services for elderly...) are to be provided through community based schemes financed through taxation and complemented by the activities of charity, non-profit organisations and the church. (Szalai, J. 1992:156)

The Scandinavian social democratic model only played a minor role in post-communist social policy debate (only in Baltic States and in Hungary Zsuzsa Ferge and Julia Szalai). However, historically social democratic thinking has a strong tradition in the Czech Republic (Castle-Kanerova, M. 1996:287). This deeply felt tradition goes together with the fear of a return to paternalist 'socialism'. There is growing evidence in East Central Europe of a decline in support for pro-market political parties. There is, as well, a growing realisation that the middle classes have not experienced the anticipated improvements in their living standard. Moreover, there is a continuing trust in the institutions of state authority in peoples' coping strategies. Even Klaus has been attacked for the social democratic slant of his government social policy recommendations, while embracing neo-liberal economic policies and a commitment to privatisation. The closely knit economic, employment and income policy that bore so little resemblance to a free market approach, in the Czech Republic, was one means of controlling the pace of

reforms and maintaining social peace.

Nevertheless, according to Ulrike Goetting (Elster et al., 1998), the German-Austrian social insurance model has been the most popular and influential among social policy experts in the region, as it has been perceived as the best to meet the concerns of both economic efficiency and social justice.

An early assessment of social policy changes in CEE (Deacon, 1992:175) finds social policy strategy diversities in the countries' responses to issues of a new acceptable conception of social justice appropriate to a market economy, and the facilitating of an active civil society capable of managing its own welfare affairs. On the dimension of a conception of social justice, Poland and Hungary seem to be ready to let the new market economy determine prices and shape the new social inequalities. On the other extreme, SU and Bulgaria continue to regulate price changes by decree and compensate the population for the consequences of price rises. In Czechoslovakia (at the time of Deacon's assessment), there are at least two views as to how best to develop a humane and just welfare capitalism that differ in how far there should be a social regulation of markets. On the dimension of civil society development, Czechoslovakia scores the highest experiencing a significant empowerment of citizens through active community and local social policies. In Hungary, there is a marked division into a bourgeois section of population that has gradually developed, and a section that put its trust in the paternalistic socialist state. The majority of Poland's population consists of helpless and impoverished dependants on the old state structures. A few aggressive competitors in the new market led business make up the rest of it.

How the transition started and who triggered the process would, in Tomes'

opinion, influence the first measures towards economic reform and the degree of social protection required (Tomes, 1994:14). In most of the countries, the transition started as a political process, that only after the first stages included economic concerns. Hungary and the USSR, according to Tomes, made a 'false' start as they attempted to reform the command economy and make it 'more market oriented'. As to who started it: In Poland, Albania and to some extent Bulgaria - the workers through trade unions; in Czechoslovakia and later in Hungary - intelligentsia (with students and, at some stage, workers); in Romania - the reforming movement and the democratic opposition. In addition, the pressure under which CEE governments have to operate is further exacerbated by the fact that the reform of social and labour market policy has been shaped and influenced by international financial agencies.

The following proposals for insurance schemes in the medium term stem from the adoption of the conservative (in Esping-Andersen terminology) European insurance model (Elster et al., 1998: 206):

- A new **public-private mix** in benefit provision: social insurance supplemented by private welfare arrangements.
- A reduction of the redistributive effect of state provision: social insurance should help the preservation of social status, not reduce social inequalities generated in the market. Hence, the preference for **earnings related schemes**.
- A clear distinction between **insurance based – earnings related and non-insurance based – targeted, redistributive schemes**
- The introduction of **off-budget financing** of social security and cost sharing between employers and employees, for the purpose of transparency and cost

awareness, and accountability.

- **A reduction in enterprises' social policy function**, in order to reduce the non-wage labour costs and make benefits available to all citizens.
- A change in the management of social programmes: only general issues centrally regulated, all routine schemes managed by **the intermediate bodies of interests' co-ordination**.

Despite the ambitious goals concerning social security reform, only a few structural modifications in financing and benefit provision have been enacted so far. Plans for social policy transformation had to be translated into public policies under conditions of fiscal crisis, increased social needs (unemployment and poverty), high popular expectations and political instability. Social policy transformation imposes losses on various groups, rendering some of them (some income groups, occupations, cohorts) worse-off in relation to what they had before. Governments, with an exception of the Czech Republic, still lack strong societal partners, organised interests outside of the parliamentary system, to overcome resistance, launch reforms, and assume responsibilities.

Differentiation between contribution and general taxation based schemes

The most has been accomplished towards a differentiation between contribution and general taxation based schemes. In Hungary (Ferge, 1991), there has been a clear distinction between benefits covered from general taxation (the budget) and from contributions of employers and employees, from January 1990. The latter is said to apply

the “equivalence principle” to contributory pensions, maternity leave, sick pay, health service (by the December 1989 law the financing of the health service was transferred from the state budget to the insurance fund). The same is planned for unemployment benefits. From April 1990, family allowances, flat-rate maternity grants, and child care grants were situated in the realm of ‘social policy’ proper, financed directly from the state budget. Social assistance remained a responsibility of local government. In fact, cuts and restrictions to the state budget shifted on to pensioners, families with dependent children, the chronically ill and those dependent on cash benefits in general, since pensions, child care allowances and sick benefits have not been inflation proofed (Ferge, 1991).

The new social security system (measures) that came into effect in January 1996 in the Czech Republic consisted of the three independent pillars supporting the system: social insurance, the state support system and social assistance (Castle-Kanerova M., 1996). The **social insurance** component covers sickness benefit, pensions (age, invalidity, widows and orphans) and the state’s employment policy (unemployment benefits and the financing of labour exchanges and social security administration). Pensions absorb 60-70 per cent of the funds. They are promised to be valorised according to the growth of average wages and/or the cost of living at the replacement rate of 56 per cent (the trade unions and social democrats calculate the current value of an old age pension at 43.3 per cent). Retirement age should be raised to 62 for men and 57-61 for women (depending on the number of children raised). Sickness benefits include provision for maternity leave (28 weeks), illness or injury (up to one year), caring for a member of the family (9 days), at a replacement rate of up to 85 per cent of an individual’s earnings.

Contributions are compulsory for all the employed (with some exceptions for the self-employed: no compulsory sickness insurance from January 1994). The insurance scheme is jointly financed by employees and employers contributions: an employee contributes 8.75 per cent of individual income - 1.2 per cent towards sickness, 6.8 per cent towards pensions and 0.75 per cent towards the state employment policy; an employer pays 26.15 per cent of his income - 3.6 per cent towards sickness, 20.4 per cent towards pensions and 2.25 per cent towards employment policy (Castle-Kanerova M, 1996:295). The scheme is still not financed through an independent Fund as promised in the political manifesto of 1992 (Castle-Kanerova M, 1996:292). **State Social Support** aims at those whose income falls below the defined social minimum and is openly redistributive from rich to poor families and from childless to families with children (estimated to affect 60 per cent of the population). It provides for nine benefits: income support, child benefit, parental benefit, carer's allowance, maternity grant, housing benefit, allowance for soldiers' families, travel allowance and a funeral grant. Income support, child allowance, housing benefit and travel allowance are subject to means testing. All the benefits are to be made available through a new network of state-run regional offices. **Social assistance** is a safety net of the last resort supposed to deal with poverty beyond that covered by the other two pillars, financed and administered at local level. The income threshold is currently set below the minimum wage, at 35-40 per cent of the average national wage, with the legislation on 'social neediness' specifying the safety-net minimum for households, individuals and children. It is estimated that about 5.5 per cent of the population would qualify for assistance of this kind.

Financing and management of social protection

Hungary and Slovakia have accomplished the goal of off-budget financing. In Hungary through the establishment of the Social Insurance Fund governed by insurees' and employers' representatives. But there is still a controversy of having funds alongside a pay-as-you-go system. In Slovakia a National Insurance Company has been set in.

In contrast, the Czech government has retained state control over the social insurance fund. In September 1990, the Federal Assembly approved a Scenario of the Social Reform, together with a Scenario of the Economic Reform. The intention of the Scenario, in the social security realm, has been to separate income-related benefits, and establish an autonomous system of financing from earmarked contributions. An employment fund has been established and an important budgetary sum of money transferred to it. A system of employment offices at the district level with tripartite consulting committees at each employment office has been initiated. For a transitional period, family benefits, unemployment and health care is to be paid from the state budget through general taxation so as to maintain the principle of social solidarity. There were also national tripartite bodies consisting of government's, unions' and employers' representatives. As collective bargaining and labour relations regulations were set up, tripartite institutions have begun to act. Unions moderate their substantive demands in exchange for status recognition (Elster et al., 1998:235). The Czech government helped unions to organise but made no substantive concession on any matter of importance. The General Agreements signed every year were not legally binding documents. The trade unions neither prevented the massive erosion of the minimum wage nor did they succeeded in eliminating wage control or having their pension reform idea accepted.

Moreover, the Czech leadership does not seem willing to continue with the practice of social accord in the future. Klaus' Civic Democratic Party came to power in 1992, rejecting the reform programme, while putting an emphasis on economic reform. Separate funds and tripartite discussions in all spheres of social policy dropped out from the social policy agenda by 1996.

The Hungarian leadership has been more in favour of including the social partners in public policy making than the Czech government (Elster, 1998: 237). They constituted the National Council for the Reconciliation of Interests, in 1988. In 1992 the Council was explicitly granted a role in minimum wage setting and managing labour relations, by the Legal Code. Ferge mentions the Directorate of Social Insurance as an autonomous body set up in January 1989 to govern social insurance, but was not enacted at the time.

There has been some limited initial privatisation of some health and social care services (Deacon, 1992:170), followed by the 1993 tax reform, a new system for social, sickness and health insurance aimed at the abolition of states' monopoly in the provision of social services. (Potucek in Ringen S., 1994:25-390)

Local government legislation broadened the sphere of discretionary local power and strengthened local authority in the realm of social policy. The new social assistance schemes are run by the municipalities. They are in charge of public housing, urban development, and community based services. They will eventually take over social policy assets formerly owned by the state firms (kindergartens). Local labour offices and local governments deal jointly with local labour market tensions. Nevertheless they are heavily constrained by financial problems (the state does not provide enough resources while the local authorities have not yet established their own tax base) and poor administrative

capacities.

Pension reform

In Holzmann's words "the main problem of the pension system in post-CPEs (Centrally Planned Economies, G.Dj.) can be summarised as follows: pensions are too low, offered to too many, and are collected too early" (1993:16). Until 1993, no main pension reform draft has been passed in the CEE countries (only the Hungarian government has presented its reform concept to Parliament - which includes an increase in the female retirement age, and changes in the benefit formula, but it is still long way from legislation and implementation).

In the Czech Republic a three-pillar system has been developing, consisting of a basic compulsory state pension, voluntary complementary schemes or group insurance, and individual saving and insurance. The state pension - a public corporation independent but guaranteed by the state - has been based on the following principles: compulsory and uniform for all wage-earners, adequate to the needs of beneficiaries and the capacities of contributors. In January 1990, the Federal Assembly approved a Government Programme according to which personal pensions (for prominent Communists) were abolished; social security and labour law provisions for self-employed, their family members and for employees of private employers were introduced; the sickness insurance administration was recouped by the state from trade union administration (Tomes, 1993:137). From 1990 to 1992 (Pension Adjustment Act, no. 46 of 1991) - the adjustment of pensions to price increases and leveling of the pension awarded in different periods was introduced. Since 1993 - in concurrence with tax reform - the pension insurance system operates on

pay-as-you-go basis; contributions are paid by (employers), employees, self-employed and the state. Women could retire from 53-57 according to number of children. A gradual rise in the age of retirement to 65 for both men and women is proposed. There are also proposals to introduce stricter qualifying conditions (for widows' pensions, for example) and/or to reduce the replacement rate (in 1992 60% of the average wage). The introduction of complementary pensions has started, but is not expected to cover more than half of all pensions in 25 to 30 years time. The bill on complementary pensions in 1994 is encouraging citizens to contribute to private pension funds. In 1995, the bill has been passed, redesigning the existing basic pension programme in the direction of a strong reduction of the replacement rate and an increase in the standard retirement age over a period of 12 years. (Klimentova J. 1994)

In Hungary, although responsibilities in financing have been redefined, not much has been done in respect of reorganisation of benefit provision. In October 1991, the parliament passed a general resolution to set up a scheme composed of a universal minimum pension, an earnings-related component and an optional private pension arrangement. So far, only the third component has been realised. In 1993, the parliament passed a bill on private company-based pension funds. The number of necessary tiers in the pension system remains a controversial issue. There are pressures to increase the pension age (now at 55 for women and 60 for men).

Family benefit schemes

Generous family benefits of the communist period provided 1) compensation payment for the deferral to a lower paid job during pregnancy; 2) a birth grant, graduated

by the number of children; 3) a long paid maternity leave with guaranteed (re)employment; 4) a child care leave up to the age of three; 5) a child care sick leave; 6) family allowances involving high monthly allowances per child, with payments rising with the number of children. Eligibility was tied to employment but with no reference to income. In Holzmann's view these generous family benefits express pro-natal interest and egalitarian wage policy. One might add an interest in gender equality, as well. In a market-oriented environment, the opportunity cost of children will increase and so demand an increase in real value of family benefits if any impact on reproductive behavior is wanted. However, given the budgetary restrictions in the CEE countries, this increase is not very likely. On the other hand, wage differentiation that could be expected reduces the need for a generous and general system of family benefits, in Holzmann view. So he supports a targeting of family benefits to low-income households.

Tomes shares Holzmann's view that family income support schemes tend to be outdated in the form they have been developed before the changes: generous maternity and parental allowances, family care allowances, family (children) allowances, in terms of replacement rates and the period of receipt (Tomes I., 1994:9). Family allowances fell in real values, since the governments start avoiding their indexing. Targeted support for school meals, creches and nurseries has become more important, but this support has been transferred to local governments which lack funds and increased their prices "making this essential institutions inaccessible by those who would really need them to be able to increase their family incomes through economic activity" (Tomes, 1994:10). The key points of the family allowance according to Tomes is that it has to be financed from the state budget (as general taxation guarantees the widest possible range of social

redistribution); the redistribution should not go only from 'childless' to children but from the rich parents to the poor families too through targeting to those in need.

"Already by 1993, the family allowance and related compensation for price increases were cut back for higher-income households in Slovakia, whereas in the Czech lands only the compensatory allowance become means-tested at first" (Elster et al., 1998: 231). However, since 1995, within a scheme of the 'state social support system' all the family transfers are paid on the basis of an income test. For the time being, income limits have been set rather high so to exclude only a small proportion of the population. Parental leave arrangements have not been scaling back, because they were used as an instrument for reducing labour supply. "Those who found themselves unemployed but had a child under four were offered a parental benefit, non-means tested and slightly higher in value than an employment benefit" (Tomes, 1995).

Hungary had introduced an earning-related child care fee, for two years, complemented with a flat-rate child care grant for the third year in 1985 (Szalai J.1992:166). According to Deacon, the right to return to work without a loss of status and salary, was abolished in July, 1991. Meanwhile, family allowance was turned into an universal scheme, and was extended to all children in the family, in 1990. Universalism was justified in an opposition to foreign advisers by the objective of horizontal equity (equalising cost of living between households with and without children). An attempt to substantially reduce family benefits in 1995 was quashed by the Hungarian Constitutional Court.

IV. GENDER ANALYSIS OF THE SOCIAL POLICY TRANSFORMATION

Transition politics in Central and Eastern Europe has been both a transition to a new type of political system and to a profoundly different economic and social system. There are at least two tracks of a gender analysis of social transformation: one concerned with the role played by women in the process of transition (in the case of East/Central Europe women's movements played a minor role); the other focusing on the impact of social changes on gender relations; gender outcomes of democratisation (Waylen, 1994). Let us start with the impact of transformation processes.

1. EVALUATION OF THE CHANGES OF SOCIAL POLICY FROM GENDER PERSPECTIVE

The conclusion of the review of the relevant literature on gender content of social policy systems was that one should approach an assessment of social policy change having the following questions in mind:

- **What is the rate and the pattern of female labour force participation?**
- **How is the cost of children and their care financed? (Child care provision and family allowance)**
- **How are pregnancy and early parenthood treated? (Maternal/parental leave arrangements)**
- **Where are, in the system of social protection, the risks of a carer located? (The prevalent basis of entitlement to social benefits – universal right, social insurance or social assistance)**

In this chapter, I will briefly describe the pre-reform system of social policy from the point of view of its gender content. Secondly, I would point at the particular aspects of socio-economic transformation that are most likely to contribute to a redefinition of gender content of social policy systems in the region. Finally, I will turn to the implications for gender content itself, mainly by focusing on what one might expect, given the institutional change, but also supporting this expectations with some empirical evidence, where it already is available.

Gender content of social policy under socialism

For the purpose of this analysis the pre-1989 CEE countries' social policy could be conceived as homogenous from the perspective of its gender content. The major feature of the policy in this respect has been the high rates of female employment (up to 97 per cent), within the broader framework of full employment social and economic policy. The employment has been a major source of income and of all the 'social benefits', that have had the form of an additional income. Consequently, if employment has been a matter of right, secure income as well as benefits in kind has been a matter of right also.²⁰ The large share of the living cost of the working population was covered from the state budget in a way that rendered an individual contribution invisible. Differences in wages that could be somehow connected to a persons capacity to earn were negligible, not only in themselves, but also because of the large share of the living cost being covered for everybody as a matter of right. In principle, someone with an extremely low

²⁰ Although one could agree with Ferge that given totalitarian regimes, both income and benefits were rather gifts than something people would claim their rights too.

wage would not be worried about housing, health care, child care, education of his/her children, pension, holiday, transport (I am not talking about the quality or choice here). If, as it happened in some of the countries, a family had close connections to a village (most often a peasant origin) and, thus, good access to cheap food, it becomes clear that the actual wage level did not really matter insofar as a family member was employed.

From the point of view of its gender content, one may say that the state bore most of the cost of having and bringing up children. In other words, everybody shared the cost of somebody's children. Pregnancy and early parenthood of employed persons was treated as a part of social labour (as opposed to an individual's risk), it was paid and counted towards the pension, and return to work was guaranteed. Employing a pregnant or potentially pregnant woman with the right to paid maternity or parental leave did not raise the cost for a particular employer, because in the end the cost was shared throughout the whole population. So it did not influence a woman's (a carer's) access to employment.

The new post World War II leaders, communists and social democrats were ideologically committed, and politically and economically dependent, on the support and labour of women. "Financial support and social institutions were reorganised to facilitate simultaneous career advancement and motherhood" (Rosenberg, 1991: 137). The Legal code was revised in order to guarantee full statutory equality for women. A series of laws and policies promoted women's education and training – paid time off for education, mandatory employer's affirmative action with reports. Maternity leaves and benefits with guaranteed re-employment, sick leave, paid time off for child care and housework were legally assured. Countries developed an exemplary program of maternity and child-care

support. The prices were subsidised. Economic measures enforced equal pay for equal work. The integration of women into the professions and skilled trades, and into higher education was successfully accomplished. By the 1980s about 92 percent of the working age women were either in training or employed in GDR, for example. "The structural details of emancipation were largely in place" (Rosenberg, 1991: 137). In Russia, for example, the workforce was 48 per cent female and employed almost the entire pool of working age women. 46 percent was employed in industry, construction and transportation, 13 percent in trade and public catering, 33 percent in the social sphere (health, education, arts, culture and science), and 7.6 percent in agriculture. In general, the gender division of labour was significantly more equal than in market economies.

The actual outcomes of such a strategy were that a gender-specific division of labour survived in different forms. The legal equality of the sexes was established, rights to work and education guaranteed, but these efforts coexisted with the traditional (patriarchal) sex role stereotypes. In reality, Soviet social policy (including the ideological commitment to women's liberation through labour force participation) was always subordinated to the goals of economic and political development. Wage differentials remained, due to the occupational and sector segregation. In addition, unskilled manual work was predominantly female. Equal pay for equal work did not address pay differentials between traditionally male and female occupations. Women tended more than men to work less hours, to accept jobs beneath their qualifications, and to postpone career advancement because of small children. The average woman's income amounted to 75-80 percent of the average man's. Patriarchal stereotypes survived in the family realm (the total weekly working hours for a typical woman are 76.3 compared to

59.5 for men). “Collective responsibility for home and child care, *declared to be a condition of women’s liberation*, never materialized” (*Women: The past and the new roles*:45, italic mine). Child-care and housework continued to be seen as primarily women’s responsibilities. As Rosenberg emphasised in the case of GDR, “...while significantly improving women’s social status and condition, GDR (read socialist) society clearly exhibited the continuing influence of traditional culture...The GDR government consistently followed a relatively contradictory policy of integrating women into the professions and into technical and administrative positions without re-evaluating traditionally ‘female’ industries or introducing women in any numbers into the skilled trades... What appears to have been achieved was a relatively successful gender integration among intellectuals and very little change within the working class.” (Rosenberg, 1991: 139) The fact that, for example in GDR, 52 percent of judges were women (an appointive position), whereas women made 27.2 percent of mayors and 32.2 percent of members of parliament (elective positions), displays the problem of a centrally administered attempt to revise the gender division of labour in a society still dominated by traditional role models. But it also shows the power of a centrally administered attempt in setting a stage for a revision of the gender division of labour.

The ‘social status package’²¹ of a person with children (which involves the cost of children and of caring for children) in the pre-transformation period contained: 1) a wage; 2) compensation payment for the deferral to a lower paid job during pregnancy; 3)

²¹ The idea of expressing/operationalising the outcome of a socio-economic system for a particular group of people through a ‘resource package’ available to the group, is adopted from the Rainwater notion of ‘income package’. He defines it as “the multiplicity of income sources (in cash and kind), that families and individuals draw on for their economic resources and position” (Rainwater et al, 1996). Here I use the notion of ‘social status package’ in order to emphasise not only the income sources but also the services (for example *child care*) that enable access to certain income sources for

a birth grant, graduated by the number of children; 4) a long paid maternity leave with guaranteed (re)employment; 5) a child care leave up to the age of three; 6) a child care sick leave; 6) family allowances involving high monthly allowances per child, with payments rising with the number of children; 7) subsidised child care in the state or enterprise owned nurseries and kindergartens; 8) subsidised prices of basic goods. Eligibility to most of the 'benefits' was tied to employment but with no reference to income.

The gender relevant aspects of the socio- economic transformation

The transformation of socio-economic system in CEE was clearly not undertaken with an aim of reshaping gender relations in the region in mind. The goals that were supposed to provide a justification for the processes have been already formulated in chapter II as the increase of individual freedom and opportunity choice, enhanced protection of individual rights and the increase in living standard. Nevertheless, having our analytical agenda in mind, it is noticeable that the transformation directly or indirectly may affect the building blocks of the gender content of the pre-reform system. A reform involving a major state retreat from the realm of employment and income policy and a fundamental redefinition of social policy objectives may be expected to influence the treatment of children raising, the status of child carers and their access to both employment and redefined social policy arrangements. There are opinions that, as a 'socialist welfare state' has been transformed into a 'social market economy', the highest price has already been paid by women, children and the elderly. Some authors perceived the changes as "a massive attack on the rights of women". (Rosenberg, 1991:133)

In that respect one should particularly pay attention to the three dependent groups

of changes²²:

1) The state retreat from the economy

Particularly relevant from our point of view, within this group, have been price and wage liberalisation; the canceling of state subsidies; and the privatisation, accompanied (with an exception of the Czech Republic) with the breakdown with the policy of full employment. These measures introduced/enhanced income inequality between rich and poor, employed and unemployed. They put emphasis on market mechanisms of income distribution and market capacities of various groups. Therefore their effect on relative standing of men and women (especially women with small children) would depend on the new patterns of female labour force participation, to the extent women may be more likely to find themselves among unemployed, low paid and poor. If over-represented among the unemployed, women would unproportionally lose the access to employment related benefits; if low paid, their position in relation to contributory, income related schemes would worsen; if working poor, they would lose the access to goods and services previously provided for free and would have to rely on the new income support arrangements.

2) Policy responses to emerging unemployment and mounting poverty

Most of the policies in this group were virtually non-existent in the pre-reform period as we have seen in the chapter III. They have been designed to replace the guaranteed employment, state subsidies and controlled prices and wages, as a new form of income support. In themselves these policies might seem gender neutral. But to the extent they are inferior to the pre-reform system of income support mentioned above, and

²² These changes have already been discussed in more detail, in chapters II and III, without an explicit

if women (particularly vulnerable categories of women) are more likely to be unemployed and poor, they definitely bare some impact on gender relations. In that respect I suggest to approach these measures with the following questions in mind: Do new unemployment benefits schemes successfully compensate for benefits entitlements trough employment? What are their coverage, replacement rates, duration, the incentives for re-employment? Do new income support schemes successfully replace subsidised prices and free goods and services?

3) Modification of existing social security systems

Developed social security system was one of the pillars of the pre-reform system of social protection. The coverage ratio of the main social programmes (pensions, sickness, medical care, and family support schemes) was close to 100 percent (as we have seen in the chapter III). We have also seen that insurance funds, where they existed, were not separated from the general state budget and benefits were not linked to previous contributions. There was no private provision of welfare. The change took the direction towards differentiation between contribution and tax-based schemes, reduction of the coverage ratio and replacement rates and the introduction of private welfare arrangements. How do we tackle gender implications of such a change? To the extent to which earnings differentials between men and women persist, earnings related schemes would discriminate against women. Especially relevant is the location in the new system of social security of maternity leave and the other risks of a carer. The coverage and replacement rate of family allowances, and the way they are financed, indicate how cost of children is distributed within the population.

Gender implications of the transformation

To start with the removal of state subsidies (that are estimated to have made, on average, one sixth of the annual wage bill) as a part of the process of price liberalisation, one could expect it to raise the cost of children, in the absence of some other compensatory measure. Creches and kindergartens, previously heavily subsidised, have been either closing down or introducing 'real' market prices for their services in all the CEE countries. We have seen that these services, together with what became targeted support for school meals has, been transferred to the local communities' level. There, due to a lack of funds, they became inaccessible for those who would really need them in order to increase their family incomes through economic activity. There is some evidence that income differentials between childless families and those with children began to emerge, in the Czech Republic (Hirsl, 1994). One could infer that two parent families would cope with the cost easier than one parent families (mostly single mothers).

When analysing the incidence of rising unemployment in CEE, it is instructive to recognise two different phenomena behind it. One is the unemployment caused by the process of restructuring of economic sectors and dramatic output decline. The other is a strategic break with the policy of full (social) employment as the main channel to secure income and a guaranteed level of living standard through access to social benefits (in the form of additional income). The latter is more fundamental in its consequences for gender relations. Having unemployment as a permanent feature of society opens the space for the gender division along the line of employment/unemployment. It puts pressure on the market criteria of employment and (re)introduces the various categories of 'risks' connected with times of non-employment. These risks are now to be taken care of by various social policy arrangements. For example, being pregnant and having to care for children now becomes a risk, and not a part of social labour. Maternity leave, previously a 'right' (in fact, employment related at the time of the policy of full employment),

becomes a risk covered for through insurance-based scheme (the meaning of an insurance-based scheme changes with the retreat from the policy of full employment). Compulsory insurance paid from employers' and employees' contributions raises the cost of female labour and thus reduces its competitiveness in the market. That increases women's chances to work for lower wages or to work in the field of non-regulated, 'gray' economy, or to be unemployed and instead of a wage (and whole package that goes with employment), receive unemployment benefit.

Privatisation, in its own right, carries among others, implications for employment policy, especially towards carers and pregnant women, depending on the social security obligations of employers in that respect. In other words, privatisation poses the question of who pays for the cost of female labour, and is most likely to lessen women's access to (gainful) employment in comparison to pre-reform situation. Commercialisation and closing down of creches and kindergartens works in the same direction.

According to the available evidence, there is no important difference between men and women in becoming unemployed, so far (although women are over-represented among the unemployed, except in Hungary). But there is a significant difference in getting re-employed, or employed for the first time, and getting gainful employed, in favour of men. Not much more than half of the new unemployed were women by the summer 91 in GDR. However, only one quarter of those who had found new jobs were women, "as the labour market shifted and the labour force was redefined by the West German model" (Rosenberg, 1991:134). Disproportionately represented among the unemployed have been single mothers, women over fifty and women with college degrees. A part of the unemployment in CEE countries comes from the regional

mismatch between distribution of vacancies and the unemployed. In the absence of subsidised housing, it makes families with children (or persons that are to care for children) less likely to move in search for a new job.

That the cost of female labour effects women's chances for employment is demonstrated by the fact that they mostly find jobs within the realm of the unregulated 'grey economy' that persistently accounts for 20-30 per cent of all economic activity in CEE countries. A 'digression' describing the case of Hungary in this respect might be very illustrative.

"Marketisation from below", in the case of Hungary, led to different patterns of employment and unemployment for male and female workers according to Julia Szalai (Szalai, 1998, unpublished paper). She argues that 1) the multiplication of a range of job-opportunities is one of most important sources of self-protection for households, 2) women are the major actors in these newly developing work arrangements, 3) the current circumstances are producing an increasingly polarised labour force.

Men seem to be more affected by the lasting economic crisis. Whole series of typically male qualifications under socialism (especially heavy industry and mining) have become useless and not demanded in the new market conditions. The threat of life-long unemployment hits men in Northern Hungary (52 percent are unemployed for more than two years). Economic restructuring post-1989 also hit large numbers of female jobs (heavily feminised unskilled and semi-skilled industrial labour in state-run firms of mass-production. The fate of the feminised occupations and of women depart from that of men's. The 1996 Household Panel Survey data showed 14 percent unemployment for men and 9.4 percent unemployment for women, and no rising proportion of housewives

in recent years (Szalai, 1998:3). The opposite is the case: a decrease from 5 percent in 1989 to 3.8 percent in 1990. Although yearly manpower surveys show an increase in female unemployment (12-13 percent for 1995 and 1996), other investigations find these women working in the 'gray' zone of production (for a wage, but without social security registration).

Women have used the job opportunities opened by the marketisation of unpaid labour within what was the informal economy (mutual exchange of labour and favours within the networks of family, kinship, neighbourhood and work mates) under socialism. These jobs entered the world of paid labour, although not in the form of full-time, socially protected employment. They took the form of unregistered, subcontracted, one-time or part-time service provision. Women, with their expertise in informal household economy took the leading role in these processes. Women already provided the major source of labour for the gradual expansion of health care, education, caring and administration under socialism. The strategy women use nowadays in Hungary is the combination of several jobs with different conditions and returns: a fixed employment with various entitlements (social security and free health care), access to information and social networks is combined with casual work that lacks security and protection, but offers better earnings. To list some of the latter: stockbrokerage, financial assistance, advertising, tax consultancy, labour exchange, preventive medicine, welfare assistance (due to the growing number of the poor), adult education and training, jobs provided by the church, NGOs, trade unions. The strategy serves several functions: self-defense against inflation and restriction of maternity and sick leave, accommodation to and benefiting from the changing structure of production, labour market flexibility for

employers.

In contrast to the Western experience, there was no a reserve army of 'non-working' women in Hungary, at the time of the rapid growth of the service-industry. By that time almost all women were working, mainly in unskilled jobs in heavy industry, construction, agriculture or in untrained white-collar work in state and enterprise administration (Szalai, 1998:9).

However, it seems to Szalai, the non-traditional forms of earnings are accessible mainly to already higher-earning and entrepreneurial sub-groups in the population. Unskilled workers who become unemployed, especially men, are often unable to obtain work even under the least favourable conditions. Only 9 percent of a sample of long-term unemployed men from Southern Hungary were able to find occasional work and none of them had hope of re-employment. "For the time being, it appears that the emergence of the new arrangements of work does not serve those falling out of jobs in the ever contracting sphere of regular full-time employment. Instead, it is those groups already in the strongest positions, that, by taking up most new opportunities, show great ingenuity in successfully defending themselves against the losses caused by the decrease in real value of returns from their 'old', state-provided occupations" (Szalai, 1998:9).

The Czech labour market continues to be dominated by a high economic activity of women, too. Only about 9 percent of women are using the opportunity of part-time employment. Only 5.4 percent stay in home as housewives (Kalinova, 1995). Women entrepreneurs with employees amount to 20.9 percent of all those entrepreneurs; women without employees make 28.8 percent of all entrepreneurs of the kind (Siklova, 1994:4). 10 percent of women see an improvement in their economic opportunities (Cermakova,

1995), which is mainly due to the three fold expansion of the tertiary sector between 1989 and 1994. However, 74 percent of working women is still working in the state sector, perhaps because of the state guaranteed social benefits. Knowing that the state sector in the Czech Republic still did not experience a major restructuring and closures (due to the delayed bankruptcy law) and that the policy of wage control prevented excessive lay-off both in the privatised and state owned companies, one might say that the difficulties connected with the re-privatisation period are still an issue above women, to the moment. Even in the case of the Czech Republic, which experienced low unemployment of women, the highest percentage of women in the work force in CEE (up to 97 percent in the socialist period), the most feminised sectors suffer from job reductions (textile industry jobs reduction 34.7 percent during 1989-1993, reductions also in posts, communications, distributions of press, where women made 70 percent of employees (Siklova, 1994).

The extreme case of Russia deserves to be mentioned here. In the situation of growing unemployment and rising inflation, more than 80 percent of all labour cutbacks were women in 1985-87, and 60 percent in 1989-1990. By the end of 1992, 83 percent of the unemployed were women.²³ In the process of economic readjustment, it is easy for both men and women to lose their jobs, but much more difficult for women to re-enter employment. A typical unemployed person in Russia is a middle-aged woman (36-45) with higher education in engineering, who lost her job as a result of staff reduction at a state enterprise. The current labour market appears to be strictly gender-divided.

However, there is still generous legislation on the rights of *working* women.

²³ Overall registered unemployment rate in 1992 was only 0.8 percent and it raised to 3.5 in 1995

Entitlements adopted in 1990-1992 were designed to provide social security to working mothers – flexible working hours, part-time labour, paid parental leave for three years and three years of additional unpaid leave. Funding was assigned to the enterprises. Reform programs were, in fact, designed to return women to their ‘purely womanly mission’ to home and family: In combination with a mass closure of day care facilities and gender structured redundancy of staff in enterprises it works toward the exclusion of women from employment. At the same time, by the Draft Russian Family Law rearing of children and running of the household is recognised as socially useful labour, but no sign of some financial support (a right to a pension, for example). The draft guarantees a half a minimum wage worth services and food for the period of pregnancy and breast-feeding of a child. Non-working parents that are raising three or more under-aged or handicapped children are guaranteed a minimum wage.

Patterns of female employment vary in the region. If we are to generalise the post-reform trend than we could say that, although not explicitly encouraged and supported by the state any longer, women do not seem to have given up the employment.

Are the measures introduced to counteract unemployment, so far, gender selective? Most important in that respect is definitely a group of measures aimed at reducing labour supply. One of these measures is a parental allowance up to three years after a child is born at the level of 66 percent of the average wage of women under 35, **provided the** parent is not employed and is caring for the child full-time, which was introduced in the Czech Republic in mid 1990. What is interesting about this measure is that it was introduced (in the described form) with an intention to safeguard family

income after the price subsidies were removed. A Havel's statement illustrate best the change in understanding of the proper sexual division of labour that is implicit in this measure: "A differentiation of incomes will gradually help to reduce the disproportionate economic activity of women, a rehabilitation of the family and the creation of better conditions for raising children"(in Waylen, 1994:349). However, Czechs have been also prominent in their attempt to keep as many workers as possible in some form of employment, through various measures described in chapter III. Most of the other countries in the region focused prevalently on developing the system of unemployment benefits. They started with earnings related schemes, with wide coverage and high replacement rates. But, for the reasons described in chapter III, they ended up in the de-facto flat rate systems, with declining coverage, and reduced replacement rates and duration period. As such, the unemployed benefits schemes may be considered inferior to the pre-reform system of 'social employment'. Notwithstanding that, being effectively flat rate (independent on the contribution), they redistribute in favour of the low paid (and women, to the extent they unproportionally fall into the category).

When thinking about impoverishment and measures introduced to combat it, one has to be aware, as in case of unemployment, of two different aspects of it. One concerns the general decline of GDP per capita in transitional countries, the other focuses on the impoverishment of particular groups as a result of unequal distribution of income (which in its turn is a result of the removal of price subsidies). Unproportionally hit by poverty, as we have seen above, have been pensioners, large and one-parent families, and the unemployed with children (most of all the categories are women). It is important to notice

here that the category of the poor (not new in CEE in general, but new in what particular groups it includes - namely, working poor in addition to unemployed, since the changes started) does not have access to wide range of goods and services (fuel, transport, child care, housing, drugs) any longer, since price subsidies have been removed as well as most 'free' services. They are now taken care of by the systems of state social support and social assistance. We have seen in the chapter III that poverty relief policies in the region took various forms from compensatory income policies to thorough social assistance reform. A common feature to most of the measures of this kind is an income threshold, set at about 35-40 per cent of the average wage, below which a person qualifies for them. It is estimated, in the case of the Czech Republic, that only about 5.5 percent of the population would qualify. This results in disenfranchisement of a huge part of population, in comparison to the old income support schemas that had universal coverage. Secondly, these measures are designed to protect family income. That shows an awareness of emerging income differentials between families with and without children. As the cost of children has been moved from public to private sphere, by the removal of price subsidies, the 'risk' of a poor carer is moved from the insurance-based/universal to social assistance, means-tested, stigmatising with lower replacement rate, component of the system of social protection. However, it is impossible, without a proper income analysis calculations (which is beyond the objectives of this paper), to say anything definite about the outcomes of this allocation of the risk of a poor carer in the system of social protection.

In the rest of this chapter, gender implications of the social security reform will be discussed. The most have been accomplished towards a differentiation between

contribution and general taxation based schemes. Social policy transformation in CEE is seen in this paper as a process of changing the rules of the distribution of income between different groups of people. Through that process, the larger part of an individual's income has been distributed on the basis of market competitiveness (wages and contributory social benefits). The smaller part is allocated on the basis of vertical and horizontal equity considerations. This has been the essence of the state retreat from the employment and income policy and of the strict division between insurance based - earnings related and non-insurance based - targeted, redistributive schemes; or, in other words, between benefits covered from contributions of employers and employees and ones covered from general taxation (the budget). The 'equivalence principle' is applied to contributory pensions, maternity leave, sick pay, health service and unemployment benefits. Various family policies (including family allowance) have been situated in the realm of the 'social policy proper' (in Hungary) or the state social support (in the Czech Republic), financed directly from the state budget.²⁴ The danger of having maternity leave paid from compulsory insurance instead from the state budget was already discussed in relation to the introduction of market criteria into employment policy. Here I want to emphasise the implications of earnings related schemes for gender inequality, when it is known that women earn on average some 70 percent of men's wages, in CEE. These schemes extend market failure of particularly non-competitive groups to unequal distribution of social benefits. And we have reasons to believe that some women, in certain points in their life circle, would not be very competitive in the market. We have seen above that unemployment benefits, although intended to be earnings related, turned

²⁴ The cases of the Czech Republic and Hungary are described in the chapter III.

into de-facto flat rate, at the low replacement rate level. Pensions have been transformed into multi-tiered schemes containing basic, universal, minimum component, earnings-related component, and private pension arrangements. I have no evidence about which tier women predominantly rely upon, but to the extent earnings differentials persist, they would be more likely to find themselves dependent on the basic, low replacement rate, compulsory pensions. However, contrary to what has been expected, empirical evidence suggests that wage differentials between men and women are diminishing, at least in the Czech Republic and Hungary (Brainerd E. 1997).

Family allowances were among the corner-stones of the pre-reform system of resource distribution. They supplemented income of all the, usually two earners, families with children. It expressed a belief in public responsibility for raising the children. It seems that such a belief has been gradually giving way to a new moral aim of restoring the "citizen's responsibility for the family and the responsibility of the family for each of its members" (Tomes, 1993:138). In the Czech Republic, a proportion of the population is excluded from the scheme since allowances, as all the family transfers, became income tested in 1995.²⁵ Hungary took a different approach in that respect. Family allowance was turned into a universal scheme and extended to all children in a family, in 1990. This was justified by an interest in horizontal equity (equalising cost of living between households with and without children). However, family allowances fell in real values everywhere, since the governments started avoiding their indexing. Also, the proportion of family

²⁵ A dramatic case of explicit disentanglement of part of the population in Poland – only those families in which their per capita income was less than 40 percent of the average wage were entitled to family allowance, since 1995 (Standing, 1996:246).

income coming from that source is diminishing.²⁶ Price liberalisation, closing down publicly financed kindergartens, and reductions of the amount and coverage of family allowance, clearly moves almost all the cost of children to parents.

2. WOMEN'S ROLE IN TRANSITIONAL POLITICS

A concurrent theme in the gender analysis of social transformation concerns the role played by women in the process of transition. In the case of East/Central Europe there has been a shared view that women's movements played a minor role. If Rosenberg is right that the changes involve "a massive attack on the rights of women", one might legitimately ask why there were no appreciable women's movements active in the process of transition in the countries of CEE. One might ask as well whether, and to which extent, 'women's issues' explicitly entered policy agendas. If they did, which kind of issues? What kinds of interests do women mobilise about - practical interests of economic survival, strategic gender interests, informed feminist demands? Do women participate on the basis of their social roles as mothers and household providers, as is assumed by the gender analysts of democratisation on the ground of previous historical examples?

The political parties, oppositional to former regimes, have not addressed women voters by advocating policies seen as furthering strategic gender interests. The opposite is the case. The Civic Forum in the section on social policy declares: "A differentiation of incomes will gradually help to reduce the disproportionate economic activity of women, a rehabilitation of the family and the creation of better conditions for raising

²⁶ Calculations I have done on Hungarian Household Panel data show that the proportion of family allowance in the total family income dropped from 17 percent in 1992 to 11 percent in 96.

children” (Waylen, 1994:349). Gorbachev’s reforms were controversial in regards to women’s status. He advocated the promotion of women into political life, the revitalisation of the national women’s movement and importance of visibility of women’s issues. At the same time, he spoke of a true female destiny and, in that context, the necessity of strengthening family functions, showing the way in which he himself visualised “women’s issues”. The 1989 Soviet election campaign called for “a return of women to their maternal duties” (Waylen, 1994:349). As in GDR, Russian women, while welcomed a new found political and intellectual liberation, were distressed at the economic and social losses they have encountered. Yeltsin’s Decree on the Government Policy with Respect to Women, however, envisages the provision of administrative, organizational and legal safeguards to help women realise their right to equal employment opportunities; eliminate discrimination against women; help women compete on an equal footing with men in the labour market by extending their opportunities to acquire new skills. In the March 1990 election, 46 percent of all GDR women voters supported the Conservative Alliance, a party coalition that opposed abortion, day care, and affirmative action. New values of political mobilisation to replace the communist ones focus on the family - motherhood, God – attacks on abortion rights and nationalism - a patriarchal vision of women’s roles.

Waylen evaluates the impact of the transformation on the distribution of power **within society** (a broader definition of democracy encompassing social and economic structure – social and economic dimension of citizenship) as negative for gender relations. The crude numerical role of women in institutional politics has been reduced (Waylen, 1994:347). The elimination of the quota system has led to a huge decline in the

number of women elected to representative bodies. Across the region, there has been a decline from an average of 33 percent to about 10 percent and less with each following election. Watson argues that CEE is witnessing the rise of the political empowerment of men in the public sphere and civil society (Waylen, 1994:348). Higher numbers of women representatives could be still found in the former Communist parties; there are fewer women in the more right-wing and nationalist parties. The number of women in leading posts in the Czech Republic is low (Siklova, 1994:15-17). There has been low women's participation in the Parliament (less than 10 percent) and in the Government (two women ministers out of 51, four ambassadors – 7.6 percent), but an adequate representation among town's and villages' deputies, among division directors at ministries and other administrative bodies.

According to Siklova low participation of women in 'formal' politics cannot be interpreted as their withdrawal from public life. The participation of women in the communist government is perceived as a mere formality. For that reason the Czech women reject 'quota system' (Siklova, 1994:16), as discredited by the old system. Women dominate in the Czech non-governmental organisations, the 'grass-roots' of the real democracy. Siklova claims that three fourths of the members of these organisations are women. The evidence from Hungary and Poland shows more women active in local politics. According to Jancar (Waylen, 1994:346) who analysed opposition movements prior to the late 1980s in Czech Republic and Poland (the former made up predominantly of intellectuals and writers, the latter a mass movement) women were marginal to the organisational structure of these movements and less likely than men to get elected to leadership positions. Moreover, among women active in the opposition movements only

a few organised primarily as women or as feminists around gender issues (rather, they organised around 'gender neutral' social and human rights). In Siklova's opinion (1994), women did play an important role in the opposition movement, in the Czech Republic, but organised around common aims with men. Organisational interests of the Czech women concern education, political programs – minorities, lesbians; social problems (divorced and single women, single mothers, post operative cases, against violence at home); professional associations and association around social roles – Mothers of Prague. Political mobilisation exclusively around womanhood, as well as a centrally asserted women's interests and rights, is highly unpopular in the Czech Republic. In any case, no issue has emerged as a relying and unifying point. Thus, feminism, as a reaction to the symbiosis of the male economic, sexual and ideological power, must take different forms in Czech Republic. Women's organisations took for their aim to put through an adequate evaluation of women's taking care of house and children by insurance (including a pension scheme) guaranteed by the state.

The absence of an organised women's movement in CEE countries around an explicit gender agenda inspired a feminist analysis of non- or anti-emancipatory effects of a "patriarchal-paternalist" socialist state.

Dölling's theory (Rosenberg, 1991:147) states that progressive social policies, by reducing the contradictions between paid work and family responsibilities, obscures rather than cancels the patriarchal power hierarchy and leaves traditional gender roles intact. In addition, a paternalist-patriarchal state discourages initiative, forbid criticism and rewards passivity. Waylen offers a similar argument. She recognises an official commitment to equality between the sexes through the incorporation of women into the

labour market (but women's are concentrating in low-paid, low-status, and gender-segregated occupations). However, gender relations within the family and the private sphere have been left untouched. Also, within the political system the quota system gave women considerable numerical representation, but not in top positions. The rights that women enjoyed were given rather than won through struggle and therefore taken for granted.

Rosenberg's theory (Rosenberg, 1992:148-50) developed on the case of GDR points to another direction: "The extensive system of transfer payments, subsidised day care, family and parental leave, free health care, free abortion, and affirmative action programs" was nearly invisible to most women. GDR women were almost completely ignorant about women's conditions in the West: they assumed that, like in the array of consumer goods, Western social policy is superior to that of the East.

GDR women voted not against their own perceived interest but in the favour of broader, economic interest, putting it ahead of a position of relative privilege within an inefficient economy. Generous transfer payments and subsidies might have been a reason for the economic failure – an economically successful state cannot afford it. "The lack of awareness that social policy decisions reflect social agendas based on political convictions and are not simply the result of some iron law of economic function. The West German belief that mothers should remain in the private sphere and care for small children in the home is reflected in political measures such as tax breaks for single-earner families and lack of public day-care facilities. The East German belief that women, including mothers, should be active in the public sphere and economically self-supporting justifies taxing society at large to supply families with day-care. These different social-

political programs are both consistent with industrial society but assign the costs of reproductive labor differently" (Rosenberg, 1992:149).

Another reason for the failure of political mobilisation of women as a group might be that feminism and notions of women's emancipation are associated with the discredited old order, rather than understood as an oppositional movement. At the same time, "...rising rates of alcoholism, divorce, and abortion and the falling birth rate were attributed in part to a crisis in family life, and in much of Eastern Europe measures were introduced to make it easier for women to spend longer periods at home with children and to strengthen the family" (Waylen, 1994:347).

CONCLUSION

In this paper, the social policy transformation, an important aspect of the thorough socio-economic reconstruction that has taken place in Central and East Europe, approximately since 1989, has been approached from a particular point of view of its gender content. The factual processes were followed mainly on the cases of the Czech Republic and Hungary. CEE countries clearly differ in starting macro-economic situation, the dynamic of change and the policy choices. However, *the project* of the reform was presented as being the same throughout the region. This is because the main interest of the paper was in anticipating gender implication of the system change. At the moment of the analysis, neither economical nor political structures in the region have achieved their definite shape. Social policies were still introduced as an immediate reaction to increased

impoverishment and unemployment in the population in a situation of economic decline and empty state funds. In one sense, the sameness of the economic problems faced by the observed countries could be expected to result in similar short-term social policies. On the other hand, the relative power of different new political subjects in these countries capable of enforcing certain social projects could result in the temporarily diversified picture of the policies actually emerging. This could lead a researcher to the misleading conclusions concerning long-term development and long-term effects of measures introduced as a matter of necessity (emergency). Thus, the best way to distinguish between immediate measures of necessity and their long-term impact, short-term and long-term social policy, and to understand the logic of the change was to approach it with the project of reform in mind.

Social policy transformation in CEE has been defined as a process of changing the rules of the distribution of income between different groups of people. We have seen that the essence of the change has been in replacing a broad and universal system of social protection, based on guaranteed employment, social protection via subsidised prices, and enterprise-based social benefits, mostly through the direct provision of goods and services, with a system of income protection designed as an institutional supplement to the labour market, compensating for social risks ex post. The objective of the old system was clearly the 'decommodification of labour', by which the money wage would gradually wither away. The wage was undoubtedly an 'individual wage' rather than a 'family wage', requiring all workers to be individual units. "A family received services and transfers that reduced its cost to a minimum level, and all adult workers were expected to be earning their individual wages" (Standing, 1996:244). The average wage,

on the other hand was not sufficient to provide an income that could provide adequate savings to cover a temporary period of interruption of earning, the classic basic objective of social security in West European welfare states. Tomas' 'soft eligibility conditions' (characteristic of the old system that, hence, has to be abandoned): early retirement age, lack of a retirement condition of eligibility, easy acquirement of periods of employment, high benefit rates and even high benefit amounts, and extensive social redistribution...are exactly the same as Esping-Andersen's decommodification criteria. If so, the process involved in the transformation could be shortly referred to as a reversal of Esping-Anderson's 'decommodification of labour'. Through that process, the larger part of an individual's income has been distributed on the basis of market competitiveness (wages and contributory social benefits). The smaller part is allocated on the basis of vertical and horizontal equity considerations. It presents a shift from universalistic, employment related schemes to greater reliance on social insurance covering market-related risks and to means-tested social assistance. Moreover, it involves greater targeting of benefits - an introduction of the new array of conditions of entitlement to benefit.

The transformation proceeded through several steps, the result of which was that a secure income and 'free' access to social services as a matter of right were abolished. Step 1 - deprive some people of employment (by which a division between employed and unemployed is created). Step 2 - remove price subsidies (by which a division between rich - **employed with high** income and poor - **employed with low** income and unemployed, is created). Step 3 - support income through insurance-based schemes (which exclude unemployed and deprive low-income groups) or social assistance (which creates and stigmatises the 'undeserved' poor). Step 4 - privatise or cancel child care

facilities (which reduces access of child carers to employment). Step 5 - decrease expenditure level and reduce replacement rates (so that it is clear that a benefit is an income support and not an additional income).

The second task of the paper (chapter I) was to develop a strategy of how to look at the social policy change so that its gender implications are made obvious. That attempt resulted in the formulation of four questions (dimensions of variations), the answers to which were taken to describe gender content of a social policy system:

- What are the rate and the pattern of female labour force participation?
- How is the cost of children and their care financed? (Child care provision and family allowance)
- How are pregnancy and early parenthood treated? (Maternal/parental leave arrangements)
- Where are, in the system of social protection, the risks of a carer located? (The prevalent basis of entitlement to social benefits – universal right, social insurance or social assistance)

The four questions analytical framework was applied, in the last chapter, to the project of the reform and some of the implemented policies, in order to anticipate the impact they may have on gender relations. We have seen that one of the main mechanisms of the transformation has been a strategic break with the policy of full employment (with the exception of the Czech Republic). Unemployment rates vary across the region. No decisive evidence was found about women being more likely to lose their jobs (except in the Russian case). But there is some evidence about them being less likely to get re-employed or employed for the first time. With the retreat from the sphere of employment

policy the states have withdrawn their support of female employment. Child care facilities have been closing down or commercialised. The treatment of pregnancy and early parenthood within the system of income distribution significantly changed. They are no longer considered a part of socially necessary labour both, in themselves and in the way they count towards the rest of the work career and towards the pension. They became a risk, since they could seriously lessen mothers' competitiveness in the labour market. Maternity leave as a part of a compulsory insurance package raises the cost of female labour to an employer, and thus lessens mothers' chances of getting gainful employment. We have seen in the example of Hungary that, as a coping strategy, women tend to find jobs in the unprotected sphere of the 'gray economy'. We have also seen that, as in the case of the Czech Republic, caring at home for up to three years has been financially supported as a subsistence for employment. On the other hand, most of the women in the region do not seem very keen to give up employment, although attitudes' surveys give conflicting accounts. A recent INFAS poll showed that only 3 per cent of GDR women described 'housewife' as the ideal job; 65 per cent would work even if they did not need the income (Rosenberg, 1992:133). However, survey data on the Czech Republic show that some Czech women would like to leave work and stay at home; 76 per cent only work for financial reasons (Siklova, 1994). In favour of women keeping up with the pre-reform labour force participation rates, in spite of the lack of state support, works the fact of high education level of CEE women. To the extent market returns to education are high, one might hope that educated women would get gainful employment positions.

We have seen that in the sphere of social security modifications, most has been accomplished in regard to the differentiation between contributory and general budget

taxation financed schemes. Wage differentials (women receive on average 70 percents of men's wages) that did not matter a lot before, now become crucial, as living standards almost exclusively depend on wages and benefits being income related. For example, it results in the discrimination against low paid women's pensions. 'Feminisation of poverty' is a new phenomenon. But new as well is the way in which the poor have been dealt with. An extensive and universally inclusive system of income support through price subsidies, wage and price control, and goods and services provided for free at the point of consumption, has been replaced with various poverty relief schemes that disintituled all except some 5 percent of the population.

Finally, let us turn to the question concerning the cost of children and their care. Partly, the cost have been moved from the public to the sphere of private responsibility. Children and their living standard became to a large extent, a private business of their parents. Closing down of publicly financed kindergartens, price liberalisation, canceling of the state subsidies, commercialisation of health services and of education, have clearly worked in that direction. In result, income differentials between families with and without children increased. On the other hand, the cost of children has been still somewhat supported by the state through the budget-financed family allowances. In Hungary, the scheme covers all the families with children, in order to preserve the principle of horizontal equity between families with and without children. However, the replacement rate dropped significantly, so that income from that source now makes one tenth of the whole family income, compared to one fifth before the reform. In the Czech Republic, the scheme became income tested and, as up to date, covers some 60 percent of families with children.

It is beyond the scope of this paper to offer a definite answer to the question what the transformation of the system of social protection in CEE brings about, from the point of view of its implications for gender relations. However, I hope to have shown some rather obvious trends. The most important gender effect of the system transformation, as it was perceived here, is that the 'risks' of a carer have been created, in a way that did not exist before. Caring for children is no longer a part of social labour (except in the case of parental allowance in the Czech Republic). Caring work has become a disposition that renders a career a risky category if not married or employed. A carer finds himself in a position of relying almost exclusively on his wage, in a situation when he is more likely than a non-carer to be unemployed or poorly paid. Instead of being paid in the capacity of a carer, if without income, he is to rely on some form of income support, most often on highly stigmatising social assistance. Given still predominantly women's task of caring for children, one cannot but doubt that accepting one's responsibility for a personal standard of living - one of the main motives of the processes of transformation in CEE – would correspond with greater gender equality.

Watson claimed (Waylen, 1994:354) that "the development of feminism in Eastern Europe is simply a matter of time". If recent social policy changes have led to the need for feminism's arrival, in Eastern Europe, that, in my opinion, has to be understood as a sign of a deterioration in women's position.

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